

AN ORDINANCE

11-O-0672

BY ALL COUNCILMEMBERS

AS AMENDED BY: THE ATLANTA CITY COUNCIL

AN ORDINANCE TO AMEND THE CITY'S PENSION LAWS, WHERE SAID CHANGES ARE SET FORTH IN A NEW SECTION 6-2 IN THE CITY OF ATLANTA RELATED LAWS, AND WHERE SAID CHANGES INCLUDE: RAISING THE PENSION CONTRIBUTION OF CURRENT EMPLOYEES BY 5% OF COMPENSATION ON NOVEMBER 1, 2011; REDUCING THE MULTIPLIER USED TO CALCULATE PENSION BENEFITS OF FUTURE EMPLOYEES TO 1%; REDUCING THE MAXIMUM COST OF LIVING ADJUSTMENT ON PENSION BENEFITS OF FUTURE EMPLOYEES TO 1%; CLARIFYING THAT PENSION BENEFITS ACCRUED BY CURRENT EMPLOYEES, SHALL REMAIN UNCHANGED; CLARIFYING THAT THE PENSION CHANGES SET FORTH IN SECTION 6-2 DO NOT APPLY TO ACTIVE EMPLOYEES AND ELECTED OFFICIALS HIRED OR ELECTED PRIOR TO JANUARY 1, 1984; CLARIFYING THAT THE PENSION BENEFITS OF EMPLOYEES WHO RETIRED PRIOR TO NOVEMBER 1, 2011 SHALL REMAIN UNCHANGED; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") provides its retirees and active employees with retirement benefits through a General Employees' Pension Fund, a Police Officers' Pension Fund, a Firefighters' Pension Fund, and a Defined Contribution Plan; and

WHEREAS, the unfunded liability of the three Pension Funds has dramatically increased since 2005; and

WHEREAS, the City's annual required contribution to the three Pension Funds has become a steadily increasing percentage of its annual budget while employee required contributions have not changed; and

WHEREAS, maintaining the current structure of the Pension Funds threatens the fiscal stability of the City; and

WHEREAS, the City wishes to reduce its annual pension cost as a percentage of its budget, reduce and pay off its unfunded pension liability, competitively align its retirement options with other local jurisdictions, and provide a long-term and sustainable solution for supporting employee retirement plans; and

WHEREAS, City Charter Section 3-507 allows the City to modify its pension laws “only by ordinance adopted by at least two-thirds of the total membership of the council and duly approved by the mayor;” and

WHEREAS, it is the desire of the City of Atlanta to amend Atlanta City Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions) as set forth herein below.

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA AS FOLLOWS:

SECTION 1. A retirement plan (“Retirement Plan”) is hereby established for: 1) any person holding permanent, full-time, active employment with the City and all publically elected City officials hired and/or elected on or after January 1, 1984; and 2) any person holding active employment with the City who was hired on or after January 1, 1984 and who is participating in the City’s Defined Benefit or Defined Contribution Retirement Plan on August 31, 2011, (solely for the purpose of this Ordinance 11-O-0672, hereinafter collectively “Employees” or in the singular, “Employee”. “Employees” shall not include: 1) any person who held permanent, full-time, active employment with the City prior to January 1, 1984, who has had continuous City service, or had a break in service and purchased the interim pension benefits upon rehire; or 2) any elected official in office on or after November 1, 2011 who has had continuous City service as an employee or elected official since before January 1, 1984, or had a break in service on or after January 1, 1984 but purchased the interim pension benefits upon rehire/re-election).

The Retirement Plan, including the DB Plan amendments, shall take effect for all Employees on and after November 1, 2011, except that it shall take effect immediately for Employees hired on and after September 1, 2011. All Employees hired prior to September 1, 2011 who are enrolled on Midnight on October 31, 2011 in the City’s Firefighters’ Pension Plan (pursuant to City Related Laws Sections 6-366 through 6-420), Police Officers’ Pension Plan (pursuant to City Related Laws Sections 6-221 through 6-280), or General Employees’ Pension Plan (pursuant to City Related Laws Sections 6-36 through 6-140), (collectively the “Defined Benefit Plans” or “DB Plans”), or who are enrolled in the City’s pre-November 1, 2011 defined contribution plan (pursuant to City Ordinance number 01-O-0064), shall become members of the Retirement Plan on November 1, 2011, the details of which are set forth in Sections 3 through 9 of this Ordinance 11-O-0672. The retirement system currently in effect for retirees whose date of retirement was prior to November 1, 2011 shall remain unchanged. Any retiree, former employee or former elected official of the City who is rehired as an Employee on or after September 1, 2011 shall be deemed a new City Employee for the purpose of determining her/his benefits under the Retirement Plan, unless otherwise directed by duly enacted City legislation or other applicable law. A City elected official holding office prior to September 1, 2011 who is consecutively re-elected after that date shall be deemed as having continuous City employment and shall not be deemed “rehired” at the beginning of each consecutive term.

SECTION 2. The Retirement Plan shall be comprised of a modified version of the DB Plans and a Defined Contribution Plan. In order to implement the Retirement Plan, the following authorizations are hereby granted:

- (a) The Mayor or his designee, on behalf of the City, is hereby authorized to establish a Defined Contribution Plan which shall consist of the following: a plan which qualifies as a governmental plan under the provisions of Section 401(a) of the Internal Revenue Code of 1986 as amended; and a plan that meets the requirements of Section 457(b) of the Internal Revenue Code of 1986 as amended as applicable to governmental entities. This grant of authorization shall include authorization to take all steps necessary and execute all documents required to establish Section 401(a) and Section 457(b) plans that are part of the Retirement Plan. The details of such plan, including eligibility, vesting, contributions and benefits, shall be as set forth in Section 4 of this Ordinance 11-O-0672.
- (b) On behalf of the City, a Defined Contribution Plan Management Committee shall be formed, and shall be comprised of: the Mayor or her/his designee; the City Council President or her/his designee; the Chairperson of the City Council Finance and Executive Committee; the City Attorney; the Chief Financial Officer; the Commissioner of the Department of Human Resources; a City Councilmember appointed by the Mayor, a Finance Management industry expert; and an Employee representative of the DC Plan who is elected by the DC Plan Mandatory Participants and DB Hybrid Participants, and who is a member of one of those two groups. The Committee shall be authorized to adopt and maintain a written Defined Contribution Plan Document that sets forth the details of the City's Defined Contribution Retirement Plan, and said details shall include without limitation the Defined Contribution Retirement Plan terms set forth in Section 4 below. The Plan Document shall be amended from time to time to comply with the applicable Internal Revenue Code provisions. Any change to the eligibility, benefits, and/or vesting provisions shall require legislative approval pursuant to City Charter Section 3-507.

SECTION 3: The City shall modify its pension plan system by amending the City of Atlanta Related Laws to add a new Section 6-2 entitled "Retirement Benefits". Accordingly, the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions) is hereby amended by adding a new Section 6-2. The definitions for Section 6-2 shall be set forth in Section (a) which shall read as follows:

"Sec. 6-2. Retirement Benefits.

- (a) The following words, terms and phrases, when used in this Section 6-2, shall have the meanings ascribed to them in this Subsection (a), except where the context clearly indicates a different meaning:
 - (1) *Actual Benefit* means the annual gross amount of the retirement benefit received by a DB Plan Participant. The term is synonymous with "Pension Benefit".
 - (2) *Actual Required Contribution or ARC* means the total, cumulative contribution amount paid by the City to fund the three Defined Benefit Plans in any given fiscal year, measured in dollars.
 - (3) *Actuarial Valuation* means the annual actuarial valuation provided by an accredited actuarial firm hired by the City to provide pension-related actuarial services.

- (4) *Benefit Formula* means the base calculation utilized to calculate the Actual Benefit received by each DB Plan Participant. Adjustments are made to this calculation to determine the Actual Benefit.
- (5) *Cap* means that the ARC is equal to 35% of the Total Payroll amount, or mathematically, the ARC divided by the Total Payroll amount equals 0.35.
- (6) *City* means the City of Atlanta.
- (7) *Compensation* means an Employee's annual salary from the City of Atlanta. This includes: base wages of the Employee (including lump-sum payments thereof); amounts contributed or deferred by the Employee and not includable in gross income under sections 125, 132(f) or 457 of the U.S. Internal Revenue Code; amounts contributed by the Employee to a governmental qualified retirement plan and treated as employer contributions under Section 414(h) of the U.S. Internal Revenue Code; and amounts credited to the Employee for furlough hours. Compensation shall not include: disability insurance payments; travel, mileage or automobile-related allowances or reimbursements; bonuses (other than sick-leave bonuses); performance awards; overtime or premium payments; or any other special, unusual or nonrecurring payment.
- (8) *Date of Disability* means the date upon which the Eligible Employee became totally and permanently disabled, as determined in writing by the Disability and Survivor Benefits Committee. In the case of Catastrophic Injury in the Line of Duty, the Date of Disability means the date upon which the Eligible Employee suffered the Catastrophic Injury, as determined in writing by the Disability and Survivor Benefits Committee.
- (9) *DB Hybrid Option* means the Retirement Plan terms selected by a DB Plan Member employed by the City prior to September 1, 2011, whereby the Employee chooses to participate beginning November 1, 2011 in the Retirement Plan benefits of DB Plan Members hired on and after September 1, 2011.
- (10) *DB Hybrid Participant* means a DB Plan Participant who is enrolled in the DB Hybrid Option.
- (11) *DB Plan* or *Defined Benefit Plan* means the City's Firefighters' Pension Plan (set forth in City Related Laws Sections 6-366 through 6-420), the Police Officers' Pension Plan (set forth in City Related Laws Sections 6-221 through 6-280), and/or the General Employees' Pension Plan (set forth in City Related Laws Sections 6-36 through 6-140).
- (12) *DB Plan Participant* means an Employee (as defined in this Section 6-2(a)(19)) who is enrolled in a DB Plan.
- (13) *DC Plan* or *Defined Contribution Retirement Plan* means the Defined Contribution Retirement Plan established by this Section 6-2 that: 1) includes a plan established under Section 401(a) of the Internal Revenue Code of 1986, as amended; and 2) includes the ability of Employees to make voluntary contributions to an account meeting the definition of Section 457(b) of the Internal Revenue Code of 1986 as amended.
- (14) *DC Plan Mandatory Participant* means an Employee who was enrolled on October 31, 2011 in the Pre-November 1, 2011 Defined Contribution Plan, or an Employee hired on or after September 1, 2011 who was hired at pay grade 19 or

higher and is not a sworn member of the Atlanta Police Department or Atlanta Fire Rescue Department.

- (15) *Disability and Survivor Benefits Committee* or the *DSB Committee* means a group of no fewer than 7 people and no greater than 9 people, where members are appointed by the Mayor or her/his designee, and which includes at least one licensed physician, at least one licensed psychiatrist, the Chief Financial Officer, the Commissioner of the Department of Human Resources, one member of the General Employees' Pension Fund Board of Trustees, one member of the Police Officers' Pension Fund Board of Trustees, and one member of the Firefighters' Pension Fund Board of Trustees.
- (16) *Disability Benefit*- see Long Term Disability Benefit.
- (17) *Disability Pension* means the benefit provided to a DB Plan Participant pursuant to the applicable DB Pension Plan, based upon the eligibility criteria set forth in said Plan. A Disability Pension, which is established by the DB Pension Plans, is different from a Disability Benefit/Long Term Disability Benefit which is established by this Section 6-2.
- (18) *Eligible Employees* (or in the singular *Eligible Employee*) means all DB Plan Participants hired on or after September 1, 2011, and all DB Hybrid Participants for City employment on and after November 1, 2011. This term is utilized within the context of Long Term Disability Benefits and Survivor Benefits.
- (19) *Employee* (or in the plural *Employees*) means: 1) any person holding permanent, full-time, active employment with the City and all publicly elected City officials hired and/or elected on or after January 1, 1984; and 2) any person holding active employment with the City who was hired on or after January 1, 1984 and who is participating in the City's Defined Benefit or Defined Contribution Retirement Plan on August 31, 2011; however the term "Employee" shall not include: 1) any person who held permanent, full-time, active employment with the City prior to January 1, 1984, who has had continuous City service, or had a break in service and purchased the interim pension benefits upon rehire; or 2) any elected official in office on or after November 1, 2011 who has had continuous City service as an employee or elected official since before January 1, 1984, or had a break in service on or after January 1, 1984 but purchased the interim pension benefits upon rehire/re-election.
- (20) *Long Term Disability Benefit or Disability Benefit* means the amount paid to an Eligible Employee pursuant to this Section 6-2, where the Eligible Employee is determined to be Totally and Permanently Disabled by the Disability and Survivor Benefits Committee. A Disability Benefit may be provided for Disability in the Line of Duty, Catastrophic Injury in the Line of Duty, and Disability Not in the Line of Duty. A Disability Benefit established by this Section 6-2 is different from a Disability Pension which is established by the DB Pension Plans.
- (21) *Monthly Compensation* means the amount utilized to calculate the Disability Benefit of an Eligible Employee, and is equal to the highest 36 consecutive months of Compensation received by the Eligible Employee prior to the Date of Disability, divided by thirty-six.
- (22) *Multiplier* means the percentage utilized in the calculation of a DB Plan Participant's Pension Benefit Formula. The Multiplier is established by the terms of the DB Pension Plan in which the DB Plan Participant is enrolled.

- (23) *Overage* means the number of percentage points by which the ARC exceeds 35% of the Total Payroll. By way of example, where the ARC divided by the Total Payroll equals 40, the Overage is 5%. The Overage may also be expressed in dollar amounts.
- (24) *Pension Benefit* means the annual gross amount received upon retirement by a DB Plan Participant from the DB Plan in which s/he participated. The term is synonymous with "Actual Benefit". The Pension Benefit is different from the Disability Benefit and the Survivor Benefit, even though all three are derived from a DB Plan.
- (25) *Pre-November 1, 2011 Defined Contribution Plan* means the City's defined contribution plan created pursuant to City Ordinance number 01-O-0064 that was in effect through and including October 31, 2011.
- (26) *Retirement Account* means the combination of all accounts owned by each Employee that contains her/his monetary benefits from the Defined Contribution Retirement Plan, including the Section 401(a) and Section 457(b) accounts, and the benefits from her/his Pre-November 1, 2011 Defined Contribution Plan if applicable.
- (27) *Retirement Age* means: 1) a DB Plan Participant in the Firefighters' Pension Plan or Police Officers' Pension Plan hired prior to September 1, 2011 who is 55 years of age or older; 2) a DB Plan Participant in the Firefighters' Pension Plan or Police Officers' Pension Plan hired on or after September 1, 2011 who is 57 years of age or older; 3) a DB Plan Participant in the General Employees' Pension Plan hired prior to September 1, 2011 who is 60 years of age or older; or 4) a DB Plan Participant in the General Employees' Pension Plan hired on or after September 1, 2011 who is 62 years of age or older.
- (28) *Retirement Plan* means the entire package of retirement benefits offered by the City to its Employees pursuant to this Section 6-2. The package is comprised of the DB Plans and the DC Plan.
- (29) *Thirty Years of Service* means the date upon which a DB Plan Participant's Years of Service, as defined below, is thirty years, where such calculation is utilized for the sole purpose of determining whether the DB Plan Participant may retire prior to Retirement Age without receiving an age penalty. For the purpose of determining whether an Employee has attained Thirty Years of Service, the Years of Service amount may not be increased by application of the Employee's unused sick leave or unused annual leave, unless otherwise authorized by duly enacted City legislation.
- (30) *Total Payroll* means the cumulative total earnings of all DB Plan Participants in the three Defined Benefit Plans in any given fiscal year.
- (31) *Totally and Permanently Disabled/ Total and Permanent Disability* means a state or condition of physical and/or mental incapacity resulting from an illness or injury suffered by an Eligible Employee, such that s/he is not expected to be able to perform the needed duties of any occupation for which s/he is qualified by education, training or experience, even after reaching the point of maximum healing. An Eligible Employee will be deemed totally and permanently disabled only if the City's Disability and Survivor Benefits Committee makes a written determination that the Employee meets the following criteria: a) the Committee reasonably anticipates that for 12 months following the Date of Disability, the incapacitation will cause the Employee to be unable to perform her/his regular, assigned or comparable duties; and

- b) the Committee reasonably anticipates that after the initial 12 month period, the incapacitation will cause the Employee to be unable to engage in any occupation for which s/he is or becomes reasonably qualified by education, training or experience.
- (32) *Voluntary Contribution* means the amount an Employee contributes to her/his Retirement Account, where such contribution is not mandated.
- (33) *Years of Service* means the number of consecutive years or fractions thereof during which a DB Plan Participant was a permanent, full-time, active employee for the City. Years of Service may include periods of time when the DB Plan Participant is Totally and Permanently Disabled, but only as set forth in Section 6-2(e) below. Years of Service may also include non-consecutive years or fractions thereof where authorized by duly enacted City legislation.
- (34) *Years of Service Multiplier* means the product of the Multiplier times the Years of Service as set forth in the Benefit Formula.”

SECTION 4: The Retirement Plan shall consist of a modified Defined Benefit Plan component and a Defined Contribution Plan component, both of which shall be implemented on November 1, 2011. Under the Defined Contribution component of the Retirement Plan, all mandatory contributions by the Employee and all City contributions shall be placed in a Section 401(a) account. All voluntary contributions by the Employee shall be placed in a Section 457(b) account. The City of Atlanta Related Laws shall be amended to establish these and other details of the Retirement Plan. The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(b) The City shall offer a Retirement Plan to all Employees effective November 1, 2011, except that the Retirement Plan for any Employee hired on or after September 1, 2011 shall be effective upon the date of her/his employment. The Retirement Plan shall consist of a Defined Benefit Plan component and a Defined Contribution Plan component. The Defined Benefit Plan component will be comprised solely of the City’s three DB Plans as defined in Section 6-2(a)(10) above. Though this Section 6-2 modifies certain terms of the DB Plans, it does not create a “new” DB plan or plans.

(c) Retirement Plan -Defined Contribution Component.

The Defined Contribution Retirement Plan shall be set forth in a plan document to be adopted and maintained by the DC Plan Management Committee as described in Section 6-2(c)(14) below. At a minimum, the DC Plan shall contain the terms described in this Section 6-2(c).

- (1) All Employees enrolled in the Pre-November 1, 2011 Defined Contribution Plan must participate in the new DC Plan beginning November 1, 2011. In addition, each Employee hired on and after November 1, 2011 who has a pay grade of 19 or higher and is not a sworn member of the Atlanta Police Department or Atlanta Fire Department, must participate in the new DC Plan. A DC Plan Mandatory Participant must make a pre-tax contribution of 6% of Compensation into the Section 401(a) portion of her/his Retirement Account. The City will match the mandatory payment of the DC Plan Mandatory Participant by contributing 6% of Compensation into the Section 401(a) portion of the Employee’s Retirement Account.

- (2) Each DB Plan Participant hired on or after November 1, 2011 and each DB Hybrid Participant must make a pre-tax contribution of 3.75% of Compensation into the Section 401(a) portion of her/his Retirement Account. The City will match the mandatory payment by contributing 3.75% of Compensation into the Section 401(a) portion of the Employee's Retirement Account.
- (3) The Employee contributions described in Paragraphs 6-2 (c)(1) and (c)(2) above will be picked-up by the City on a salary reduction basis pursuant to Section 414(h) of the Internal Revenue Code of 1986, as amended. The City's matching contributions as described in said Paragraphs shall vest over a 5-year period at 20% per year, such that all contributions made by the City after the completion of the fifth year are 100% vested.
- (4) In addition to the mandatory payments made by an Employee into the DB Plan and/or the 401(a) portion of the DC Plan, each Employee has the option of making Voluntary Contributions into the Section 457(b) portion of her/his Retirement Account. The Employee's Voluntary Contribution shall be the percentage of Compensation directed by the Employee, and may not exceed the maximum contribution permitted under the Internal Revenue Code.
- (5) The City will match 100% of the *Voluntary* Contribution made by a DB Plan Participant hired on or after November 1, 2011 and a DB Hybrid Participant up to 4.25% of Compensation. The Voluntary Contribution match amount will be in addition to the City's match of the 3.75% mandatory DC Plan contribution. The City's match will be deposited into the Section 401(a) portion of the Employee's Retirement Account. The match contributions shall vest over a 5-year period at 20% per year, such that all contributions made by the City after the completion of the fifth year are 100% vested.
- (6) An Employee's Years of Service accumulated prior to November 1, 2011 shall be counted in the Years-of-Service calculations under the DC Plan for the sole purpose of determining vesting as described in Section 6-2 (c)(3) and (c)(5) above
- (7) The Employee's Voluntary Contributions shall be paid with pre-tax dollars, unless indicated otherwise by the Employee in the manner prescribed by the City. Where an Employee chooses to utilize after-tax dollars for all or a portion of her/his Voluntary Contributions, said after-tax contributions shall be treated as Roth contributions to the extent allowed by Section 457(b) of the Internal Revenue Code of 1986 as amended. The Roth contribution option shall be available as of November 1, 2011.
- (8) An Employee may change the amount of her/his Voluntary Contribution and/or the percentage of Voluntary Contribution that is paid with after-tax dollars (if any) in the manner prescribed by the City. Such changes may be made at any time, provided that the Employee does not make changes more than one time per month.
- (9) The Retirement Account of an Employee who was enrolled in the Pre-November 1, 2011 Defined Contribution Plan shall be retained as part of the Employee's Retirement Account under the new Retirement Plan.
- (10) Each Employee shall direct how the funds in her/his Retirement Account shall be invested, selecting from a menu of investment options provided by the Plan Administrator. The Employee may select more than one investment option.
- (11) An Employee may direct lump sum distributions from her/his Retirement Account upon separation from the City, death, disability (pursuant to the City's disability

retirement provisions), or retirement, in accordance with the terms of the applicable City ordinances and other laws.

- (12) Each Employee may designate one or more Retirement Account beneficiaries of her/his choice.
- (13) The Plan Administrator shall be the Chief Financial Officer or her/his designee. The Plan Administrator shall oversee the daily administration of the Defined Contribution Retirement Plan. The Plan Administrator shall report to the Management Committee of the DC Plan, as defined in number 14 immediately below.
- (14) The Management Committee of the Defined Contribution Retirement Plan shall be comprised of: the Mayor or her/his designee; the City Council President or her/his designee; the Chairperson of the City Council Finance and Executive Committee; the City Attorney; the Chief Financial Officer; the Commissioner of the Department of Human Resources; a City Councilmember appointed by the Mayor, a Finance Management industry expert; and an Employee representative of the DC Plan who is elected by the DC Plan Mandatory Participants and DB Hybrid Participants, and who is a member of one of those two groups. The Management Committee shall manage and operate the DC Plan. It shall make all final decisions that materially impact the management and operation of the DC Plan, except that such decisions will be approved by duly enacted legislation where required by the Atlanta Code of Ordinances. The Management Committee shall have all powers necessary to enable it to properly carry out the duties of a retirement plan manager, which include the following: (i) engaging the services of third party service providers, consistent with the City's procurement procedures. The service providers may provide recordkeeping services for the DC Plan, provide investment fund options, provide and present investment education and other communication materials to Employees; and provide disability insurance; (ii) preparing and construing the DC Plan documents and agreements, and providing answers to all questions related thereto; (iii) providing answers to all questions relating to eligibility and benefit entitlement under the DC Plan, except where otherwise provided in this Section 6-2; (iv) maintaining records relating to Employees; (v) preparing and furnishing to Employees all applicable information required under state and/or federal law; (vi) preparing and furnishing to the third-party service provider all necessary Employee and financial data; (vii) providing direction and oversight of the third-party service provider; (viii) preparing and filing with all other appropriate government entities all reports and other information required under law to be so filed and/or published; (ix) engaging consultants, actuaries or other professional advisers as necessary to aid in the DC Plan administration; (x) arranging for fiduciary bonding if necessary; and (xi) providing procedures for benefit payments."

SECTION 5: On November 1, 2011, the DB Plans shall be modified as described below, and said modifications shall be set forth in City Related Laws Section 6-2. The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(d) Retirement Plan -Defined Benefit Component.

- (1) The DB Plans, as defined in Section 6-2(a)(10) above, shall remain in effect. This Section 6-2 does not create new DB Plans, but rather modifies the DB Plans already in existence.
- (2) Beginning on November 1, 2011, each DB Plan Participant hired prior to that date shall contribute 12% of her/his Compensation to the applicable DB Plan if s/he does not have a designated beneficiary, and shall contribute 13% of her/his Compensation to the applicable DB Plan if s/he does have a designated beneficiary, except that DB Plan Participants who choose to participate in the DB Hybrid Option shall make the contributions and receive the benefits described in Section 6-2(g) below.
- (3) Each DB Plan Participant hired after September 1, 2011 shall contribute 8% of her/his Compensation to the applicable DB Plan.
- (4) Except as set forth in Section 6-2(d)(6) and 6-2(g) below, the calculation of an Employee’s Pension Benefit shall be the same as the calculation applied by the City in 2011, prior to November 1. Specifically, calculation of a Pension Benefit shall be as follows (elements of the calculation not addressed in this Section 6-2 shall be implemented as set forth in the applicable DB Plan):
 - (i) The DB Plan Benefit Formula (“Benefit Formula”) is derived as follows:
 - (A) The pension multiplier set forth in the applicable DB Plan, ranging from 1%-3% (the “Multiplier”), is multiplied by the Employee’s years of service with the City (“Years of Service”) (the product shall be referred to as “Years of Service Multiplier”).
 - (B) The Years of Service Multiplier may not exceed 80% (the “Cap”), unless the Employee opted for a Benefit Formula that waives the Cap. If the Years of Service Multiplier exceeds 80%, the Years of Service Multiplier shall be reduced to 80% (“Adjusted Years of Service Multiplier”), except that if the Employee opted to waive the Cap, the Years of Service Multiplier shall remain unchanged (also referred to as the “Adjusted Years of Service Multiplier”).
 - (C) The Adjusted Years of Service Multiplier shall be multiplied by Annual Compensation. Annual Compensation is determined by calculating the highest Compensation received by an Employee over a consecutive 36 month period and dividing it by three (“Annual Compensation”).
 - (D) The Benefit Formula is increased by applying the Employee’s unused annual leave and unused sick leave at the time of retirement. Annual leave is utilized to increase the value of Annual Compensation in the Benefit Formula. Sick leave is utilized to increase the value of Years of Service in the Benefit Formula and also to increase Annual Compensation under certain circumstances. The details of determining the value of the unused leave and how it impacts the Benefit Formula is set forth in the applicable DB Plan.
 - (E) In the form of a numerical equation, the Benefit Formula for Employees whose Benefit Formula *has a Cap* is:

**Benefit Formula= Annual Compensation x {lower of: 80% or
[Multiplier x Years of Service]}**

The Benefit Formula for Employees whose Benefit Formula *does not have a Cap* is:

Benefit Formula = Annual Compensation x Multiplier x Years of Service

(F) The Cost of Living Adjustment shall be calculated as set forth in the applicable DB Plan.

(ii) The actual benefit received by the Employee ("Actual Benefit") shall be equivalent to the Benefit Formula, unless the Employee is not fully vested in the DB Plan, or unless the Employee collects her/his DB pension prior to reaching Retirement Age or Thirty Years of Service. Calculation of the Actual Benefit prior to vesting and/or prior to reaching Retirement Age or Thirty Years of Service shall be as follows:

(A) If a DB Plan Participant is fully vested in the DB Plan and collects her/his DB pension prior to reaching Retirement Age or Thirty Years of Service, the Benefit Formula shall be reduced by the Age Penalty amount set forth in the applicable DB Plan.

(B) If a DB Plan Participant has completed at least 5 Years of Service with the City but has not fully vested in the DB Plan, and leaves City employment prior to reaching Retirement Age or Thirty Years of Service, the Employee may elect not to receive her/his pension until Retirement Age or later. Employees hired prior to July 1, 2010 shall be fully vested upon the completion of ten Years of Service. Employees hired on and after July 1, 2010 shall be fully vested upon the completion of fifteen Years of Service. At the time that the DB Plan Participant files a completed application with the City to receive pension (assuming s/he has reached Retirement Age), s/he will be provided a monthly pension benefit equivalent to the Benefit Formula multiplied by the Vesting Percentage. The Vesting Percentages are as follows:

1. Completion of 5 Years of Service- 25%;
2. Completion of 6 Years of Service- 30%;
3. Completion of 7 Years of Service- 35%;
4. Completion of 8 Years of Service- 40%;
5. Completion of 9 Years of Service – 45%.
6. For DB Plan Participants who require 10 Years of Service to fully vest, the Vesting Percentage will be 100% after the completion of 10 Years of Service.
7. For DB Plan Participants who require 15 Years of Service to fully vest, Completion of 10 Years of Service – 50%.
8. Completion of 11 Years of Service – 55%.
9. Completion of 12 Years of Service – 60%.
10. Completion of 13 Years of Service – 65%.
11. Completion of 14 Years of Service – 70%.

12. For DB Plan Participants who require 15 Years of Service to fully vest, the Vesting Percentage will be 100% after the completion of 15 Years of Service.

(C) If a DB Plan Participant is not fully vested in the DB Plan and leaves City employment prior to completion of 5 Years of Service, the Employee shall receive a cash-out value for her/his pension contributions equivalent to the amount s/he contributed into the DB Plan plus 5% per annum for the number of years in which s/he contributed to the DB Plan, subject to IRC Section 401(a)(31)(B).

(D) In the form of a numerical equation, the Actual Benefit for DB Plan Participants who are vested and retire prior to reaching Retirement Age or Thirty Years of Service is:

Actual Benefit = Benefit Formula – Age Penalty

The Actual Benefit for DB Plan Participants who have 5 or more years of service and draw their pension at Retirement Age or later is:

Actual Benefit = Benefit Formula x Vesting Percentage

- (5) The Pension Benefit calculation for a DB Plan Participant hired prior to September 1, 2011 shall be as set forth in Section 6-2(d)(4) above, except that the calculation for a DB Hybrid Participant shall be as set forth in Section 6-2(g) below.

- (6) For DB Plan Participants hired on or after September 1, 2011 **only**, the Pension Benefit shall be as set forth in Section 6-2(d)(4) above, except for the following changes:

- (i) The Multiplier in the Benefit Formula shall be 1%.
- (ii) The value of Annual Compensation in the Benefit Formula shall be calculated based upon the highest Compensation received by an Employee over a consecutive 120 month period. The Compensation amount may be increased by adding the value of unused annual leave as described in the applicable DB Plan.
- (iii) Unused sick leave may not be utilized to change any portion of the Benefit Formula or Actual Benefit.
- (iv) The Cost of Living Adjustment for Post-Change Pension Benefits shall be a maximum amount of 1%.
- (v) The Retirement Age for the Firefighters' Pension Plan or Police Officers' Pension Plan shall be 57 years of age or older. The Retirement Age for the General Employees' Pension Plan shall be 62 years of age or older.
- (vi) The age penalty assessed for DB Plan Participants who retire prior to Retirement Age shall be 6% per year (or 0.5% per month). A DB Plan Participant in the Firefighters' Pension Plan or Police Officers' Pension Plan may not collect her/his pension prior to reaching 47 years of age, unless s/he has attained Thirty Years of Service. A DB Plan Participant in the General Employees' Pension Plan may not collect her/his pension prior to reaching 52 years of age, unless s/he has attained Thirty Years of Service. Nothing in this provision shall prevent a DB Plan Participant from obtaining a cash-out value for her/his pension contributions at any time, and such value shall be equivalent to the amount s/he contributed into

the DB Plan plus 5% per annum for the number of years in which s/he contributed to the DB Plan.

- (vii) At the time of retirement, a DB Plan Participant may choose to designate a qualified beneficiary (as defined in Section 6-2(f)(3)(i) below) who will receive 75% of the DB Plan Participant's Pension Benefit at the time of said Participant's death. Where the DB Plan Participant designates a beneficiary, her/his Pension Benefit shall be re-calculated using the assumption that it is a single-life annuity with a duration through the life of the DB Plan Participant. A DB Plan Participant who designates a beneficiary will have his/her monthly Pension Benefit reduced. A calculation shall be performed to determine the City's *expected* total Pension Benefit payout to the Employee if s/he had no beneficiary. The actuarial equivalent of that expected total shall be determined for the *expected* total Pension Benefit payout with the Employee's designated beneficiary. This actuarial equivalence shall be utilized to determine the DB Plan Participant's reduced monthly Pension Benefit amount, so that the total Pension Benefit cost to the City is not increased by the election of a beneficiary. Upon the death of the DB Plan Participant, 75% of Employee's Pension Benefit amount will be paid as a monthly benefit to the identified qualified beneficiary as described in Section 6-2(f)(3)(i). The percentage payable to the beneficiary shall comply with the U.S Treasury regulations §1.401(a)(9)-6, relating to the minimum distribution incidental benefit (MDIB) requirement under IRC §401(a)(9)(G)."

SECTION 6: The Retirement Plan shall offer a Long Term *Disability Benefit* to Eligible Employees who become Totally and Permanently Disabled. DB Plan Participants hired prior to November 1, 2011, except for DB Hybrid Participants, may not receive a Disability Benefit, but shall be eligible to receive a *Disability Pension* through the applicable DB Plan. DC Plan Mandatory Participants shall receive Long Term Disability Insurance coverage through their participation in the Retirement Plan. To that effect, the following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(e) Long Term Disability Benefit

- (1) A Long Term Disability Benefit or Disability Benefit is established pursuant to this Section 6-2, and is different from the Disability Pension established in and provided pursuant to the DB Plans. Eligible Employees whose Date of Disability is on or after November 1, 2011 shall be eligible for a Disability Benefit pursuant to the terms set forth in this Section 6-2(e). The Eligible Employee must submit a completed application to the Disability and Survivor Benefits Committee to apply for a Disability Benefit.
- (2) The following provisions shall apply to the calculation of the Disability Benefit for every Eligible Employee:
 - (i) The City will provide a Long Term Disability Benefit to an Eligible Employee who is determined to be Totally and Permanently Disabled by the Disability and Survivor Benefits Committee. The DSB Committee shall make its determination

by utilizing a preponderance of the evidence standard, and shall base its decision on official medical records, other documentary evidence, qualified medical expert opinions, sworn testimony, and/or other reliable sources accepted by the DSB Committee. The DSB Committee shall provide its determination in writing, with a detailed explanation of the supporting evidence. The City or the Eligible Employee may appeal the DSB Committee's determination pursuant to applicable law and the process established by the DSB Committee.

- (A) Where the Eligible Employee applies for a Disability Benefit *and* a Disability Pension for the same underlying condition, the Eligible Employee shall submit identical applications and information to the DSB Committee and the appropriate Pension Board. All hearings regarding the application, including any appeal hearings, shall be presented to the DSB Committee and appropriate Pension Board simultaneously.
 - (B) The DSB Committee shall make a final determination about whether the Eligible Employee may receive a Disability Benefit. The DSB Committee decision shall be separate from the decision of the applicable Pension Board regarding the Disability Pension. It is acceptable for the determinations of the two bodies to differ.
 - (C) This process shall be utilized for determinations regarding whether an injury qualifies as a Disability in the Line of Duty or a Catastrophic Injury in the Line of Duty, and also whether Survivor Benefits shall be awarded as set forth in Section 6-2(e) below.
- (ii) The Long Term Disability Benefit provided to an Eligible Employee shall begin after the Employee has utilized all of her/his accumulated sick leave.
 - (iii) The Long Term Disability Benefit shall continue until the earlier of the end of the Eligible Employee's Total and Permanent Disability, the Eligible Employee's attainment of Retirement Age or Thirty Years of Service, or death of the Eligible Employee.
 - (iv) During the time that an Eligible Employee is receiving a Disability Benefit, the Employee's and the City's mandatory contributions to the Employee's Retirement Plan shall cease except as set forth in Subsection (e)(2)(vii) below. The Employee may make Voluntary Contributions to the 457(b) portion of her/his Retirement Account. The City will not match any portion of the Voluntary Contributions while the Employee is receiving a Disability Benefit.
 - (v) The monthly amount of a DB Plan Participant's Long Term Disability Benefit shall be reduced by the monthly amount of her/his Disability Pension, where such Disability Pension is calculated under the applicable DB Pension Plan as amended by this Section 6-2.
 - (vi) In the event that the Eligible Employee receiving a Long Term Disability Benefit also receives a Workers' Compensation award for the same illness or injury for which the City is paying a Disability Benefit, the monthly amount of the Disability Benefit shall be reduced such that the sum of the monthly Disability Benefit amount, plus the monthly Disability Pension amount if any, plus the monthly value of the Workers' Compensation award, does not exceed 75% of the Eligible Employee's Monthly Compensation. This Section 6-2(e)(2)(vi) shall not apply to Eligible Employees who suffered a Catastrophic Injury in the Line of

Duty, as defined in Section 6-2(e)(3)(iii) below. In addition, this Section 6-2(e)(2)(vi) shall not prevent the restoration of some or all of the Employee's Disability Benefit upon reduction or termination of any such Workers' Compensation payments.

- (vii) For those fiscal years in which the Eligible Employee receives a Long Term Disability Benefit, the City shall deposit an amount into the Section 401(a) portion of the Employee's Retirement Account that is equal to the combination of the Employee's mandatory DC contribution and the City's match thereof based upon the Eligible Employee's Compensation at the Date of Disability. This amount shall not vest until the Eligible Employee attains Retirement Age or Thirty Years of Service. The provisions set forth in this Section 6-2 regarding utilization of the Retirement Account shall then be applied. In addition, the Eligible Employee may collect her/his retirement Pension Benefit in the manner set forth in this Section 6-2.
 - (viii) Upon the death of an Eligible Employee who is receiving a Long Term Disability Benefit, the monthly Long Term Disability Benefit shall cease and any future benefits shall be determined as set forth in Section 6-2 (f) below, entitled Survivor Benefits.
- (3) Disability Benefits shall be calculated based upon the type of disability, utilizing the applicable formula set forth below, and applying the provisions set forth in Section 6-2(e)(2) above. A monthly long term disability benefit for Eligible Employees shall be calculated as follows:
- (i) Disability in the Line of Duty:
 - (A) Disability in the Line of Duty means that an Eligible Employee is Totally and Permanently Disabled due to an injury that occurred while in the line of duty or due to an illness contracted solely as a result of activities performed while in the line of duty.
 - (B) An Eligible Employee who was hired before 1986 will receive a monthly Long Term Disability Benefit amount that is equal to 70% of her/his Monthly Compensation. This amount shall be adjusted as set forth in Section 6-2(e)(2)(v) and (vi) above.
 - (C) Eligible Employees who were hired on or after January 1, 1986 will receive a monthly Long Term Disability Benefit equal to the greater of: a) 50% of the Eligible Employee's Monthly Compensation as adjusted pursuant to Section 6-2(e)(2)(v) and (vi) above; or b) the value of the following as adjusted pursuant to Section 6-2(e)(2)(v) and (vi) above:
 - 1. For Eligible Employees who are sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department hired on or after January 1, 1986 and before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (d)(4)(ii)(B) above.

2. For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (d)(4)(ii)(B) above.
3. For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (d)(4)(ii)(B) above.

ii. Disability Not in the Line of Duty:

(A) Disability Not in the Line of Duty means that an Eligible Employee is Totally and Permanently Disabled due to an injury that did not occur while in the line of duty or due to an illness that was not contracted solely as a result of activities performed while in the line of duty.

(B) An Eligible Employee who was hired before 1986 will receive a monthly Long Term Disability Benefit that is equal to:

1. For Eligible Employees who are sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%. This amount shall be adjusted as set forth in Section 6-2(e)(2)(v) above.
2. For all non-sworn Eligible Employees: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%. This amount shall be adjusted as set forth in Section 6-2(e)(2)(v) above.

(C) Eligible Employees who were hired on or after January 1, 1986 and with at least 5 Years of Service will receive a monthly Long Term Disability Benefit equal to the greater of: a) 50% of the Eligible Employee's Monthly Compensation, as adjusted pursuant to Section 6-2(e)(2)(v) above; or b) the value of the following as adjusted pursuant to Section 6-2(e)(2)(v) above:

1. For Eligible Employees who are sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department hired after January 1, 1986 and before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (d)(4)(ii)(B) above.
2. For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (d)(4)(ii)(B) above.
3. For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of

Disability, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (d)(4)(ii)(B) above.

iii. Catastrophic Injury in the Line of Duty:

(A) For purposes of this Section 6-2 (e), "Catastrophic Injury" shall mean a sudden, violent, life-threatening injury sustained on or after November 1, 2011 by an Eligible Employee in the line of duty, that causes the Employee to be Totally and Permanently Disabled, and which injury is due to an externally-caused event or events. Catastrophic Injury shall be determined by the DSB Committee based upon the procedure set forth in Section 6-2 (e)(2)(i) above. Examples of Catastrophic Injury shall include without limitation the following:

1. Loss of sight in one or both eyes;
2. Loss of one or both feet at or above the ankle;
3. Loss of one or both hands at or above the wrist;
4. An injury to the spine that results in permanent and complete paralysis of both arms, both legs, or one arm and one leg;
5. An externally caused traumatic physical injury to the brain or skull that renders one physically or mentally unable to perform two or more Activities of Daily Living (feeding oneself, dressing, continence, bathing, toileting and transferring, i.e. getting in and out of bed), driving a motor vehicle, or similar activities; and/or
6. A permanent severely disabling injury or disorder that compromises the ability to carry out the activities of daily living to such a degree that the individual requires personal or mechanical assistance to leave home or bed or requires constant supervision to avoid physical harm to self or others.

(B) Any Eligible Employee who receives a Catastrophic Injury in the Line of Duty will receive a fixed monthly Long Term Disability Benefit equal to 100% of the top salary for the payroll grade and position that s/he occupied at the Date of Disability.

(4) Where an Eligible Employee believes that she has suffered a Total and Permanent Disability, s/he shall notify the DSB Committee as soon as practicable based upon the Eligible Employee's condition after the injury or illness is incurred. In addition, where a City Commissioner has any employee in her/his Department that claims to be Totally and Permanently Disabled, the Commissioner shall immediately notify the Commissioner of the Department of Human Resources, who shall immediately notify the DSB Committee. The DSB Committee shall determine if the Employee is an Eligible Employee, and if so, shall conduct an investigation and make a written determination regarding whether the Eligible Employee is Totally and Permanently Disabled, whether the Disability arose in the line of duty, and whether the Eligible

Employee suffered a Catastrophic Injury in the Line of Duty. The written determination shall be issued within 90 days of the date on which the DSB Committee was informed of the disability claim.

- (5) Where the DSB Committee determines that an Eligible Employee is Totally and Permanently Disabled, and the Eligible Employee receives a Disability Benefit, the DSB Committee shall have the right to conduct an annual review of the Eligible Employee's condition. A review may occur more often than one time per year if the DSB Committee reasonably believes that the Eligible Employee is no longer Totally and Permanently Disabled. The DSB Committee shall conduct its review and make its determination using the procedure set forth in Section 6-2 (e)(2)(i) above. As part of this review, the DSB Committee shall have the right to require the Eligible Employee to submit to a medical examination. The purpose of the examination shall be to determine whether the Eligible Employee has recovered sufficiently such that s/he is able to return to a job or work position for which he/she is or becomes reasonably qualified by education, training or experience. If the DSB Committee determines that the Eligible Employee is no longer Totally and Permanently Disabled, the payment of the Long Term Disability Benefit shall be discontinued. The City or the Eligible Employee may appeal the DSB Committee's determination(s) pursuant to applicable law and the process established by the DSB Committee.
- (6) All Employees who are not DB Plan Participants or "Eligible Employees" shall receive Long Term Disability Insurance coverage through their participation in the Retirement Plan."

SECTION 7: The Retirement Plan shall offer a Survivor Benefit to Eligible Employees. Accordingly, the following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

"(f) Survivor Benefit

- (1) A Survivor Benefit is established pursuant to this Section 6-2. The Survivor Benefit is paid to the designated beneficiary of an Eligible Employee if the Employee dies prior to retiring from the City, and the death occurs on or after November 1, 2011. The terms of calculating and providing the Survivor Benefit are set forth below in this Section 6-2(f). The Survivor Benefit is different from the survivor pension benefit established in and provided pursuant to the DB Plans. DB Plan Participants hired prior to September 1, 2011, except for DB Hybrid Participants, may not receive a Survivor Benefit, but shall be eligible to receive a Survivor *Pension* through the applicable DB Plan.
- (2) The City of Atlanta will provide a Survivor Benefit that shall be paid monthly to the designated beneficiary or beneficiaries of an Eligible Employee at the time of her/his death, as calculated below in this Section 6-2(f), but only if the death occurs prior to the Eligible Employee's retirement.
- (3) Each Eligible Employee must designate a primary beneficiary and, if desired, a secondary beneficiary for the purpose of receiving a Survivor Benefit.

- (i) The primary beneficiary and secondary beneficiary (if any) must be a “Qualified Beneficiary”, thereby meeting one of the following descriptions:
 - (A) The spouse or domestic partner (as defined in the Atlanta Code of Ordinances) of the Eligible Employee; and/or
 - (B) The child or children (natural or legally adopted) of the Eligible Employee who is/are unmarried, and is either younger than 18 years of age, or younger than 23 years of age and enrolled as a full-time student at an accredited secondary school, college or university.
 - (ii) The Eligible Employee may not designate the same Qualified Beneficiary as a primary and a secondary beneficiary.
 - (iii) The Eligible Employee may change her/his primary and or secondary beneficiary to another Qualified Beneficiary/Beneficiaries in the manner prescribed by the City. Such changes may be made at any time, provided that the Employee does not make changes more than one time per month.
 - (iv) If the primary beneficiary should no longer meet the definition of “Qualified Beneficiary” at the time of the Eligible Employee’s death, the entire Survivor Benefit shall be provided to the secondary beneficiary (if any) provided that s/he is a Qualified Beneficiary.
- (4) Upon the death of an Eligible Employee, her/his primary and/or secondary Beneficiary may apply to the Disability and Survivor Benefits Committee for a Survivor Benefit equal to 75% of the application of the following formula:
- (i) For Eligible Employees who are sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department and hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the date of death, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (d)(4)(ii)(B) above.
 - (ii) For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the date of death, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (d)(4)(ii)(B) above.
 - (iii) For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the date of death, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (d)(4)(ii)(B) above.
 - (iv) For the calculations above, where an Eligible Employee received a Disability Benefit during any portion of her/his Years of Service, the “Years of Service at the date of death” calculation shall include the years or parts thereof in which s/he received a Disability Benefit.
- (5) The total monthly value of the Survivor Benefit shall be reduced by the monthly amount of the Eligible Employee’s survivor pension benefit as calculated under the applicable DB Pension Plan as amended by this Section 6-2, such that the total

monthly payment of the Survivor Benefit plus the survivor pension benefit shall not exceed 100% of the monthly value of the Survivor Benefit as calculated herein.

- (6) Where an Eligible Employee dies as a result of injuries incurred in the line of duty, her/his primary Qualified Beneficiary may receive a monthly payment for two years following the date of the Employee's death, and such payment shall be equal to the Compensation to which such Eligible Employee would have been entitled had s/he remained in active service. At the expiration of the two-year period referred to herein, the Survivor Benefit due the primary beneficiary shall be computed in accordance with the formula described in Section 6-2 (f)(4) above, except that the Eligible Employee's vesting percentage shall be calculated as 100%. The Survivor Benefit for a primary Qualified Beneficiary shall be paid to the secondary Qualified Beneficiary or Beneficiaries upon the death or ineligibility of the primary Qualified Beneficiary.
- (7) The Commissioner of the Department of Human Resources shall immediately notify the Disability Survivor Benefit Committee upon the death of any employee in her/his Department. The DSB Committee shall determine if the Employee is an Eligible Employee, and if so, shall conduct an investigation and make a written determination regarding whether the Eligible Employee's death was incurred in line of duty. It shall also determine whether the primary and secondary beneficiaries are Qualified Beneficiaries. The written determination shall be issued within 90 days of the date on which the DSB Committee was informed of the death. The DSB Committee shall conduct its review and make its determination using the procedure set forth in Section 6-2 (e)(2)(i) above. The City, the primary beneficiary and/or the secondary beneficiary may appeal the DSB Committee's determination pursuant to applicable law and the process established by the DSB Committee."

SECTION 8: The Retirement Plan shall allow DB Participants hired prior to November 1, 2011 to receive the Retirement Plan Benefits provided to DB Participants hired on or after November 1, 2011 as described below in this Section 9. The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

"(g) DB Hybrid Option.

- (1) Each DB Plan Participant hired prior to September 1, 2011 shall be given a choice about the Retirement Plan benefit package s/he receives on and after November 1, 2011. Specifically, each said DB Plan Participant may choose to: 1) continue in the Defined Benefit Plan pursuant to the terms being applied prior to November 1, 2011 as modified by this Section 6-2, and particularly as modified by Section 6-2(d)(2) that sets forth the increased employee contribution; or 2) receive a slightly modified version of the Retirement Plan benefit package provided to DB Plan Participants hired on and after September 1, 2011, as set forth below in this Section 6-2(g). In order to select the DB Hybrid Option, the DB Plan Participant must notify the City in writing in the manner and at the time prescribed by the City. Where the Employee does not provide written notification as prescribed by the City, the Employee will be

- deemed as choosing *not* to participate in the DB Hybrid Option. A decision of whether to participate in the DB Hybrid Option is irreversible.
- (2) Upon retirement, a DB Hybrid Participant shall receive the Pension Benefit s/he accumulated prior to November 1, 2011 (the calculation of which may include Compensation for work performed on or after November 1, 2011), plus the benefits accumulated from the Retirement Plan on and after November 1, 2011.
 - (3) For the Pension Benefit accumulated prior to November 1, 2011 by a DB Hybrid Participant, the amount of the Employee's pension ("Pre-Change Pension Benefit") shall be calculated as set forth below in Section 6-2(g)(6).
 - (4) Retirement Plan contributions by a DB Hybrid Participant on and after November 1, 2011 shall consist of 1) DB Plan Contributions as set forth in Section 6-2(d)(3) above; 2) DC Plan Mandatory Contributions as set forth in Section 6-2(c)(2) above; and may include 3) DC Plan Voluntary Contributions as set forth in Section 6-2(c)(5) above.
 - (5) A DB Hybrid Participant's Retirement Plan benefits for on and after November 1, 2011 shall be comprised of: 1) the Pension Benefit calculated as set forth above in Section 6-2(d)(4) as modified by Section 6-2(d)(6)(i), (ii), (iii), (iv) and (vii) only. Provisions 6-2(d)(6)(v) and (vi) shall not apply to DB Hybrid Participants. The Retirement Age and Age Penalty shall be determined in the manner utilized for DB Members hired prior to September 1, 2011 who are not DB Hybrid Participants.; 2) earnings from the Employee's Mandatory Contributions into the Section 401(a) portion of her/his Retirement Account and related City match contributions as described above in Section 6-2(c)(2); and earnings from the Employee's Voluntary Contributions into the Section 457(b) portion of her/his Retirement Account and related City match contributions as set forth in Section 6-2(c)(5).
 - (6) The calculation of the DB Hybrid Participant's Pre-Change Pension Benefit shall be as set forth in Section 6-2(d)(4) above, except for the following:
 - (i) The value of Years of Service in the DB Hybrid Participant's Pre-Change Pension Benefit Formula shall be the Years of Service between her/his date of hire and November 1, 2011. The value of the Years of Service factor in the DB Plan Participant's Pre-Change Benefit Formula shall be equal to the Years of Service accrued as of midnight on October 31, 2011. The DB Plan Participant will have a one-time opportunity to utilize her/his unused sick leave as of midnight October 31, 2011 to increase the Years of Service value in the Pre-Change Benefit Formula, provided that s/he retains no fewer than 80 hours of unused sick leave for future use. The increase shall be calculated as described in the applicable DB Plan, except that retirement shall not be required to apply the sick leave in this manner. The DB Plan Participant must designate the number of sick leave hours s/he wishes to apply to the Pre-Change Benefit Formula prior to November 1, 2011, at the time and in the manner prescribed by the City. Any sick leave hours used by the DB Plan Participant to enhance her/his Years of Service value may not be used in the future for sick leave or any other purpose
 - (ii) The value of Annual Compensation in the DB Hybrid Participant's Pre-Change Pension Benefit Formula shall be calculated based upon the highest Compensation received by the Employee over a consecutive 36 month period, regardless of whether all or a portion of the consecutive 36 months occurs prior to

November 1, 2011. The Compensation amount may be increased by adding the value of unused annual leave as described in the applicable DB Plan.

- (7) The Long Term Disability Benefits and Survivor Benefits afforded to DB Employees hired on or after November 1, 2011, as described in Sections 6-2 (e) and (f) above, shall be provided to DB Hybrid Participants on and after November 1, 2011.”

SECTION 9: The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(h) The City will engage an accredited actuarial firm to provide annual actuarial valuations (“Actuarial Valuation”) of the three Defined Benefit Plans. Each Actuarial Valuation shall include a calculation of the Actual Required Contribution (“ARC”) owed by the City in the upcoming fiscal year.

- (1) Where an Actuarial Valuation anticipates that the City’s ARC for the next fiscal year will exceed 35% of the Total Payroll (the “Cap”), a Cost Recovery Plan shall be implemented. The Cost Recovery Plan shall consist of the following:
- (i) The Mayor or her/his designee shall direct the actuary to present an analysis of the ARC’s escalation and to provide additional information as requested by herself/himself or by the City Council.
 - (ii) The first fiscal year that the ARC exceeds the Cap, the City will pay the full amount of the Overage. The Overage shall be paid from the City’s General Fund reserves, and the details of the payment will be set forth in duly enacted legislation.
 - (iii) During that first fiscal year, a committee shall be formed to identify potential methods and sources for mitigating and/or paying for the Overage in future fiscal years, and the committee shall provide recommendations to the City Council and the Mayor. These recommendations may include, without limitation, increasing employee and/or City DB contributions, modifying pension benefits, and/or utilizing alternative funding sources. The Committee shall be comprised of: the Mayor or her/his designee; the City Council President or her/his designee; the Chair of the Finance Executive Committee; the Chief Operating Officer; the Chief Financial Officer; the City Attorney; one elected representative from the General Employees’ Pension Fund, from the Firefighters’ Pension Fund, and from the Police Officers’ Pension Fund; and the President or her/his designee of AFSCME, IAFF, IBPO and PACE, or the successor organization of any of these unions. No recommendation by the committee shall take effect unless and until it is authorized by duly enacted legislation.
 - (iv) In the event that the City fails to enact legislation directing how the Overage will be funded during the second and/or future years in which the CAP is exceeded, the cost of the Overage shall be shared equally by the City and the DB Plan Participants. The DB Plan Participants shall pay their portion of the Overage through increased contributions in a cumulative amount that is one half of the Overage, except that the amount of a Participant’s increased contribution in any

given fiscal year shall not exceed 5% of her/his Compensation. This increase amount shall be paid in addition to the Employee's current DB Plan contribution as set forth in Section 6-2 (d)(2), (d)(3) or (g)(4). The City will pay the full amount of that portion of the Overage that exceeds 10% in any given fiscal year. In a fiscal year where no Overage exists, the Employee shall not pay an increased DB Plan contribution, but shall pay only her/his current DB Plan contribution as established by Section 6-2 (d)(2), (d)(3) or (g)(4).

- (v) In each fiscal year for which the City has failed to enact legislation directing how the Overage will be funded, the amount of the Employees' and the City's increased contributions shall be modified based upon the size of the Overage as set forth in the Actuarial Valuation. The amount of the increased contributions shall be calculated as set forth in the immediately preceding subsection (iv). For the avoidance of doubt, each DB Plan Participant's 5% of Compensation increase amount shall not escalate above the 5% total from year to year.
 - (vi) Where the Overage is eliminated in a fiscal year, but reappears within one or both of the next two fiscal years, the payment of the Overage shall be shared by the DB Plan Participants and the City as set forth in Subsections (iv) and (v) above, without the one year payment made solely by the City as set forth in Subsection (ii) above. Where the Overage is eliminated and the ARC remains lower than the CAP for more than 2 consecutive fiscal years, a new Cost Recovery Plan shall thereafter be implemented if and when the ARC exceeds the CAP.
- (2) In the event that the unfunded liability amount reaches 15% or less, the City may reduce the DB Plan Participants' contribution amount through duly enacted legislation.
 - (3) If a Court with jurisdiction over this matter rules that this Section 6-2(i) is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Section 6-2 shall not be affected or impaired by said ruling."

SECTION 10: The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

"(i) The City may modify one or more of the DB Plans, the DC Retirement Plan, and/or any other aspect of the Retirement Plan in a manner that is consistent with applicable laws."

SECTION 11: The City of Atlanta Related Laws are hereby amended to modify the Fire Fighters' Pension Fund. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article IV (Firefighters), Sections 6-366 through 6-420, shall be amended by adding a new Section 6-400 that shall read as follows:

"Sec. 6-400. Application of Pension Modification pursuant to City Related Laws Section 6-2.

There has been raised and established funds for the aid, relief and pension of members of the Atlanta Fire Department who were in active service on or after the date of the passage of this act ("Firefighters' Pension Fund"). The terms of

the Firefighters' Pension Fund have been modified by City Related Laws Section 6-2. The terms of the Firefighters' Pension Fund shall be as set forth in City Related Laws Sections 6-366 through 6-420, as amended by Related Laws Section 6-2. The retirement plan and benefits of the following members of the Firefighters' Pension Fund shall not be impacted by Related Laws Section 6-2: 1) members who were active service City Employees on November 1, 2011 who were hired by the City and joined the Firefighters' Pension Fund prior to January 1, 1984, and had continuous City service, or had had a break in service and purchased the interim pension benefits upon rehire; and 2) members who retired before November 1, 2011."

SECTION 12: The City of Atlanta Related Laws are hereby amended to modify the Police Department Pension Fund. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article III (Police Department), Sections 6-221 through 6-280, shall be amended by adding a new Section 6-258 that shall read as follows:

"Sec. 6- 258. Application of Pension Modification pursuant to City Related Laws Section 6-2.

There has been raised and established funds for the relief and pensioning of members of the Atlanta Police Department who were in active service on or after the date of the passage of this act ("Police Officers' Pension Fund"). The terms of the Police Officers' Pension Fund have been modified by City Related Laws Section 6-2. The terms of the Police Officers' Pension Fund shall be as set forth in City Related Laws Sections 6-221 through 6-280, as amended by Related Laws Section 6-2. The retirement plan and benefits of the following members of the Police Officers' Pension Fund shall not be impacted by Related Laws Section 6-2: 1) members who were active service City Employees on November 1, 2011 who were hired by the City and joined the Police Officers' Pension Fund prior to January 1, 1984, and had continuous City service, or had had a break in service and purchased the interim pension benefits upon rehire; and 2) members who retired before November 1, 2011."

SECTION 13: The City of Atlanta Related Laws are hereby amended to modify the Nonuniformed Officers and Employees Pension Fund. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article II (Nonuniformed Officers and Employees), Sections 6-36 through 6-140, shall be amended by adding a new Section 6-104 that shall read as follows:

"Sec. 6-104. Application of Pension Modification pursuant to City Related Laws Section 6-2.

There has been raised and established funds for the relief and pensioning of members of nonuniformed officers and employees of the City of Atlanta who were in active service on or after the date of the passage of this act ("General Employees' Pension Fund"). The terms of the General Employees' Pension Fund

have been modified by City Related Laws Section 6-2. The terms of the General Employees' Pension Fund shall be as set forth in City Related Laws Sections 6-36 through 6-140, as amended by Related Laws Section 6-2. The retirement plan and benefits of the following members of the General Employees' Pension Fund shall not be impacted by Related Laws Section 6-2: 1) members who were active service City Employees on November 1, 2011 who were hired by the City and joined the General Employees' Pension Fund prior to January 1, 1984, and had continuous City service, or had had a break in service and purchased the interim pension benefits upon rehire; and 2) members who retired before November 1, 2011."

SECTION 14: This Ordinance shall take effect at the time of its adoption.

SECTION 15: All ordinances and parts of ordinances in conflict herewith are hereby waived for purposes of this ordinance only, and only to the extent of the conflict.

AMENDMENT FORM

COMMITTEE: FINANCE/EXECUTIVE

PAGE NUMBER(S): _____

COMMUNICATION I.D.#: _____

CAPTION: ☒ YES ☐ NO

ORDINANCE I.D.#: 11-0-0672

SECTION(S): Heading

RESOLUTION I.D.#: _____

PARAGRAPH(S): _____

AUTHORIZING SIGNATURE: JP

DATE: 6-15-11 **2011**

Add the names of Adrean, Shook, Wan
and Young as authors to the legislation

AN ORDINANCE

11-O-0672

BY COUNCILMEMBERS AARON WATSON, H. LAMAR WILLIS
AND KEISHA LANCE BOTTOMS

AS SUBSTITUTED # 3
BY: FINANCE/EXECUTIVE COMMITTEE

AN ORDINANCE TO CREATE A NEW SECTION 6-2 IN THE CITY OF ATLANTA CHARTER SO AS TO PROVIDE A RETIREMENT PROGRAM FOR ALL ELIGIBLE CITY EMPLOYEES FOR SERVICES RENDERED ON AND AFTER NOVEMBER 1, 2011, WHICH SHALL INCLUDE: REDUCING THE MULTIPLIER USED TO CALCULATE ALL PENSION BENEFITS TO 1%; REDUCING THE MAXIMUM COST OF LIVING ADJUSTMENT ON ALL PENSION BENEFITS TO 1%; OFFERING ALL CURRENT EMPLOYEES THE OPTION OF JOINING SOCIAL SECURITY; REQUIRING ALL FUTURE EMPLOYEES TO JOIN SOCIAL SECURITY; CLARIFYING THAT THE RETIREMENT BENEFITS ACCRUED PRIOR TO NOVEMBER 1, 2011 SHALL REMAIN UNCHANGED; CLARIFYING THAT THE PENSION BENEFITS ACCUMULATED BY ACTIVE EMPLOYEES HIRED PRIOR TO JANUARY 1, 1984 SHALL REMAIN UNCHANGED; CLARIFYING THAT THE PENSION BENEFITS OF EMPLOYEES WHO RETIRED PRIOR TO NOVEMBER 1, 2011 SHALL REMAIN UNCHANGED; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") provides its retirees and active employees with retirement benefits through a General Employees' Pension Fund, a Police Officers' Pension Fund, a Firefighters' Pension Fund, and a Defined Contribution Plan; and

WHEREAS, the unfunded liability of the three Pension Plans has dramatically increased since 2005; and

WHEREAS, the City's annual required contribution to the three Pension Plans has become a steadily increasing percentage of its annual budget; and

WHEREAS, continued increases to the annual required contribution to the Pension Plans threaten the fiscal stability of the City; and

WHEREAS, the City wishes to reduce its annual pension cost as a percentage of its budget, reduce and pay off its unfunded pension liability, competitively align its retirement options with

other local jurisdictions, and provide a long-term and sustainable solution for supporting employee retirement plans; and

WHEREAS, City Charter Section 3-507 allows the City to modify its pension laws “only by ordinance adopted by at least two-thirds of the total membership of the council and duly approved by the mayor”; and

WHEREAS, it is the desire of the City of Atlanta to amend Atlanta City Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions) as set forth herein below.

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA AS FOLLOWS:

SECTION 1. A retirement plan (“Retirement Plan”) is hereby established for all City of Atlanta: 1) permanent, full-time, active employees hired on or after January 1, 1984; 2) permanent, full-time, active employees hired prior to January 1, 1984 who opt in to Social Security as described immediately below in Section 2; and 3) elected officials in office on or after November 1, 2011 (hereinafter collectively “Employees” or in the singular, “Employee”). The Retirement Plan shall be in effect for all work performed by the Employee on and after November 1, 2011. All Employees who are enrolled on Midnight on October 31, 2011 in the City’s Firefighters’ Pension Plan (pursuant to City Charter Sections 6-366 through 6-420), Police Officers’ Pension Plan (pursuant to City Charter Sections 6-221 through 6-280), or General Employees’ Pension Plan (pursuant to City Charter Sections 6-36 through 6-140), (collectively the “DB Plans”), or who are enrolled in the City’s pre-November 1, 2011 defined contribution plan (pursuant to City Ordinance number 01-O-0064), shall become members of the new Retirement Plan on November 1, 2011, the details of which are set forth in Section 4 of this Ordinance 11-O-0672. As part of the Retirement Plan, the DB Plans will be modified as set forth below effective November 1, 2011. The retirement system currently in effect for retirees whose date of retirement was prior to November 1, 2011 shall remain unchanged. The retirement system currently in effect for permanent, full-time, active City employees hired prior to January 1, 1984 shall remain unchanged unless said Employee opts in to Social Security in the manner prescribed immediately below in Section 2. Any retiree, former employee or former elected official of the City who is rehired as an Employee on or after November 1, 2011 shall be deemed a new City Employee for the purpose of determining her/his benefits under the new Retirement Plan with respect to service performed after such rehire, unless otherwise directed by duly enacted City legislation or other applicable law. A City elected official holding office prior to November 1, 2011 who is consecutively re-elected after November 1, 2011 shall be deemed as having continuous City employment and shall not be deemed “rehired” at the beginning of each consecutive term.

SECTION 2. The Retirement Plan shall be comprised of a modified version of the DB Plans, Social Security, and a Defined Contribution Plan. In order to implement the Retirement Plan, the following authorizations are hereby granted:

- (a) The Mayor or his designee, on behalf of the City, is hereby authorized to establish a Defined Contribution Plan which shall consist of the following: a plan which qualifies as

a governmental plan under the provisions of Section 401(a) of the Internal Revenue Code of 1986 as amended; and a plan that meets the requirements of Section 457(b) of the Internal Revenue Code of 1986 as amended as applicable to governmental entities. This grant of authorization shall include authorization to take all steps necessary and execute all documents required to establish Section 401(a) and Section 457(b) plans that are part of the Retirement Plan. Said Defined Contribution Plan shall take effect on November 1, 2011. The details of such plan, including eligibility, vesting, contributions and benefits, shall be as set forth in Section 4 of this Ordinance 11-O-0672.

- (b) On behalf of the City, a Defined Contribution Plan Management Committee, composed of the Mayor or her/his designee, the Chairperson of the City Council Finance and Executive Committee, the City Attorney, the Chief Financial Officer, and the Commissioner of the Department of Human Resources, is authorized to adopt and maintain a written Defined Contribution Plan Document that sets forth the details of the City's Defined Contribution Plan, and said details shall include without limitation the Defined Contribution Plan terms set forth in Section 4 below. The Plan Document shall be amended from time to time to comply with the applicable Internal Revenue Code provisions. Any change to the eligibility, benefits, and/or vesting provisions shall require legislative approval pursuant to City Charter Section 3-507.
- (c) The Mayor or his designee, on behalf of the City, is hereby authorized to take all steps necessary and execute all documents required for the City to join the retirement program provided by the Employee's Retirement System of Georgia, and to join in the Section 218 Agreement administered by the Georgia Social Security Administrator, thereby enabling Employees to participate in the Federal Social Security Program ("Social Security"). These steps shall include, without limitation, the following:
 - (1) Every Employee (which, for purposes of this paragraph (2)(c) only, shall include *every* permanent, full-time, active employee hired before January 1, 1984) who will be a permanent, full-time, active employee on November 1, 2011 shall be given a choice about whether to obtain Social Security coverage beginning as of November 1, 2011. Each such Employee, as defined specifically within this Paragraph, may choose to: 1) continue in the Defined Benefit Plan or Defined Contribution Plan in which s/he participated prior to November 1, 2011; or 2) discontinue participation in said Defined Benefit Plan or Defined Contribution Plan effective at midnight on October 31, 2011, and begin participation in Social Security for all service occurring on and after November 1, 2011. The Mayor or his designee shall convene a referendum in which each such Employee shall indicate whether s/he will "opt in" or "opt out" of the Social Security retirement plan component as described in City Charter Section 6-2(c), set forth in Section 4 of this Ordinance 11-O-0672. The referendum shall be held by no later than October 15, 2011. Employees required to participate in the referendum, as described in this Paragraph, who do not vote in the referendum will be deemed as choosing to opt in to Social Security. Once an Employee chooses to opt in or opt out of Social Security, s/he may not revoke that decision during the remainder of her/his tenure with the City.

- (2) The Mayor or his designee is authorized to take all steps necessary and execute all documents required to convene the Social Security referendum.

SECTION 3: The City shall implement the new Retirement Plan by amending the City of Atlanta Charter to add a new Charter Section 6-2. Accordingly, the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions) is hereby amended by adding a new Section 6-2. The definitions for Section 6-2 shall be set forth in Section (a) which shall read as follows:

“Sec. 6-2. Retirement Benefits.

- (a) The following words, terms and phrases, when used in this Section 6-2, shall have the meanings ascribed to them in this Subsection (a), except where the context clearly indicates a different meaning:

- (1) *Actual Benefit* means the annual gross amount of the retirement benefit received by a DB Participant. The term is synonymous with “Pension Benefit”.
- (2) *Benefit Formula* means the base calculation utilized to calculate the Actual Benefit received by each DB Participant. Adjustments are made to this calculation to determine the Actual Benefit.
- (3) *City* means the City of Atlanta.
- (4) *Compensation* means an Employee’s annual salary from the City of Atlanta. This includes: base wages of the Employee (including lump-sum payments thereof); amounts contributed or deferred by the Employee and not includable in gross income under sections 125, 132(f) or 457 of the U.S. Internal Revenue Code; amounts contributed by the Employee to a governmental qualified retirement plan and treated as employer contributions under Section 414(h) of the U.S. Internal Revenue Code; and amounts credited to the Employee for furlough hours. Compensation shall not include: disability insurance payments; travel, mileage or automobile-related allowances or reimbursements; bonuses (other than sick-leave bonuses); performance awards; overtime or premium payments; or any other special, unusual or nonrecurring payment.
- (5) *Date of Disability* means the date upon which the Eligible Employee became totally and permanently disabled, as determined in writing by the Disability and Survivor Benefits Committee. In the case of Catastrophic Injury in the Line of Duty, the Date of Disability means the date upon which the Eligible Employee suffered the Catastrophic Injury, as determined in writing by the Disability and Survivor Benefits Committee.
- (6) *DB Plan* or *Defined Benefit Plan* means the City’s Firefighters’ Pension Plan (set forth in City Charter Sections 6-366 through 6-420), the Police Officers’ Pension Plan (set forth in City Charter Sections 6-221 through 6-280), and/or the General Employees’ Pension Plan (set forth in City Charter Sections 6-36 through 6-140).
- (7) *DB Plan Participant* means an Employee (as defined in this Section 6-2(a)(14)) who was enrolled on October 31, 2011 in a DB Plan.
- (8) *DC Plan* or *Defined Contribution Retirement Plan* means the Defined Contribution Retirement Plan established by this Section 6-2 that: 1) includes a plan established

under Section 401(a) of the Internal Revenue Code of 1986, as amended; 2) includes the ability of Employees to make voluntary contributions to an account meeting the definition of Section 457(b) of the Internal Revenue Code of 1986 as amended; and 3) takes effect on November 1, 2011.

- (9) *DC Plan Mandatory Participant* means an Employee who was enrolled on October 31, 2011 in the Pre-November 1, 2011 Defined Contribution Plan, who Opts Out of the Social Security Plan, and who therefore must participate in the DC Plan established as of November 1, 2011. DC Plan Mandatory Participants are not members of a DB Plan and are not enrolled in Social Security pursuant to their City employment.
- (10) *Disability and Survivor Benefits Committee* or the *DSB Committee* means a group of no fewer than 7 people and no greater than 9 people, where members are appointed by the Mayor or her/his designee, and which includes at least one licensed physician, at least one licensed psychiatrist, the Chief Financial Officer, the Commissioner of the Department of Human Resources, one member of the General Employees' Pension Fund Board of Trustees for so long as such Board shall exist, and one member of either the Police Officers' Pension Fund Board of Trustees or the Firefighters' Pension Fund Board of Trustees for so long as such Board(s) shall exist.
- (11) *Disability Benefit*- see Long Term Disability Benefit.
- (12) *Disability Pension* means the benefit provided to a DB Participant pursuant to the applicable DB Pension Plan, based upon the eligibility criteria set forth in said Plan. A Disability Pension, which is established by the DB Pension Plans, is different from a Disability Benefit/Long Term Disability Benefit which is established by this Section 6-2.
- (13) *Eligible Employees* (or in the singular *Eligible Employee*) means all Employees who may receive a Long Term Disability Benefit from the City if they meet the criteria for receipt of the benefit. Eligible Employees are all DB Plan Participants, all Employees hired after November 1, 2011 who are sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department, and all other Employees hired after November 1, 2011 with a starting salary of pay grade 18 or lower.
- (14) *Employee* (or in the plural *Employees*) means any person who meets one or more of the following criteria on and/or after November 1, 2011: 1) is a permanent, full-time, active City employee hired on or after January 1, 1984; 2) is a permanent, full-time, active City employee hired prior to January 1, 1984 who Opted In to Social Security; and/or 3) is an elected City official in office on or after November 1, 2011.
- (15) *Long Term Disability Benefit* or *Disability Benefit* means the amount paid to an Eligible Employee pursuant to this Section 6-2, where the Eligible Employee is determined to be Totally and Permanently Disabled by the Disability and Survivor Benefits Committee. A Disability Benefit may be provided for Disability in the Line of Duty, Catastrophic Injury in the Line of Duty, and Disability Not in the Line of Duty. A Disability Benefit established by this Section 6-2 is different from a Disability Pension which is established by the DB Pension Plans.
- (16) *Monthly Compensation* means the amount utilized to calculate the Disability Benefit of an Eligible Employee, and is equal to the highest 36 consecutive months of Compensation received by the Eligible Employee prior to the Date of Disability, divided by thirty-six.

- (17) *Multiplier* means the percentage utilized in the calculation of a DB Participant's Pension Benefit Formula. The Multiplier is established by the terms of the DB Pension Plan in which the DB Participant is enrolled.
- (18) *Opt In* means an Employee decision to participate in Social Security, communicated via the City Referendum. Employees who do not participate in the Referendum will be deemed as Opting In to Social Security.
- (19) *Opt Out* means an Employee decision not to participate in Social Security, communicated via the City Referendum.
- (20) *Pension Benefit* means the annual gross amount received upon retirement by a DB Plan Participant from the DB Plan in which s/he participated. The term is synonymous with "Actual Benefit". The Pension Benefit is different from the Disability Benefit and the Survivor Benefit, even though all three are derived from a DB Plan.
- (21) *Post-Change Benefit Formula* means the DB Plan Participant's Benefit Formula that is utilized to determine her/his Post-Change Pension Benefit.
- (22) *Post-Change Pension Benefit* means the Pension Benefit (as defined in Section 6-2(a)(20) above) accumulated by a DB Plan Participant for work performed on and after November 1, 2011.
- (23) *Pre-Change Benefit Formula* means the DB Plan Participant's Benefit Formula that is utilized to determine her/his Pre-Change Pension Benefit.
- (24) *Pre-Change Pension Benefit* means the Pension Benefit (as defined in Section 6-2(a)(20) above) accumulated by a DB Plan Participant for work performed prior to November 1, 2011.
- (25) *Pre-November 1, 2011 Defined Contribution Plan* means the City's defined contribution plan created pursuant to City Ordinance number 01-O-0064 that was in effect through and including October 31, 2011.
- (26) *Referendum* means the election authorized by City Ordinance 11-O-0672, in which each City Employee hired prior to November 1, 2011 determined whether s/he would "opt in" or "opt out" of Social Security.
- (27) *Retirement Account* means the combination of all accounts owned by each Employee that contains her/his monetary benefits from the Defined Contribution Retirement Plan, including the Section 401(a) and Section 457(b) accounts, and the benefits from her/his Pre-November 1, 2011 Defined Contribution Plan if applicable.
- (28) *Retirement Age* means a DB Plan Participant in the Firefighters' Pension Plan or Police Officers' Pension Plan who is 55 years of age or older, or a DB Plan Participant in the General Employees' Pension Plan who is 60 years of age or older.
- (29) *Retirement Plan* means the entire package of retirement benefits offered by the City to its Employees as of November 1, 2011. The package is comprised of the DC Plan, the DB Plans, and Social Security. The eligibility of Employees for different parts of the Retirement Plan is set forth in this Section 6-2.
- (30) *Social Security* means the Federal Social Security Program, set forth in 42 U.S.C. Section 301 *et seq.*
- (31) *Social Security Contribution* means the percentage of Compensation contributed by an Employee and by the City into the Social Security Plan, as mandated by the Federal Social Security Act.

- (32) *Social Security Plan* means the City benefit offered to City Employees to join Social Security. Employee participation in Social Security is authorized by Section 218 of the Federal Social Security Act and by O.C.G.A. § 45-5-1(a).
- (33) *Social Security Plan Participant* means an Employee who participates in Social Security pursuant to her/his employment with the City.
- (34) *Thirty Years of Service* means the date upon which a DB Plan Participant's Years of Service, as defined below, is thirty years, where such calculation is utilized for the sole purpose of determining whether the Employee may retire prior to Retirement Age without receiving an age penalty. For the purpose of determining whether an Employee has attained Thirty Years of Service, the Years of Service amount may not be increased by application of the Employee's unused sick leave or unused annual leave, unless otherwise authorized by duly enacted City legislation.
- (35) *Totally and Permanently Disabled/ Total and Permanent Disability* means a state or condition of physical and/or mental incapacity resulting from an illness or injury suffered by an Eligible Employee, such that s/he is not expected to be able to perform the needed duties of any occupation for which s/he is qualified by education, training or experience, even after reaching the point of maximum healing. An Eligible Employee will be deemed totally and permanently disabled only if the City's Disability and Survivor Benefits Committee makes a written determination that the Employee meets the following criteria: a) the Committee reasonably anticipates that for 12 months following the Date of Disability, the incapacitation will cause the Employee to be unable to perform her/his regular, assigned or comparable duties; and b) the Committee reasonably anticipates that after the initial 12 month period, the incapacitation will cause the Employee to be unable to engage in any occupation for which s/he is or becomes reasonably qualified by education, training or experience.
- (36) *Voluntary Contribution* means the amount an Employee contributes to her/his Retirement Account, where such contribution is not mandated.
- (37) *Years of Service* means the number of consecutive years or fractions thereof during which a DB Plan Participant was a permanent, full-time, active employee for the City. Years of Service may also include periods of time when the DB Plan Participant is Totally and Permanently Disabled, but only as set forth in Section 6-2(f) below. Years of Service may also include non-consecutive years or fractions thereof where authorized by duly enacted City legislation."

SECTION 4: The Retirement Plan shall consist of a Social Security Plan component, a Defined Contribution Plan component, and a modified Defined Benefit Plan component, all of which shall be implemented on November 1, 2011. Under the Defined Contribution component of the Retirement Plan, all mandatory contributions by the Employee and all City contributions shall be placed in a Section 401(a) account. All voluntary contributions by the Employee shall be placed in a Section 457(b) account. The City of Atlanta Charter shall be amended to establish the Retirement Plan. The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(b) The City shall offer a Retirement Plan to all Employees effective November 1, 2011, and such Retirement Plan shall consist of a Social Security Plan component, a Defined Contribution Plan component, and a Defined Benefit Plan component. Upon retirement,

Employees in the Retirement Plan who worked for the City prior to November 1, 2011 shall receive: 1) the retirement benefits they accrued prior to November 1, 2011; and 2) the benefits they accrue under the new Retirement Plan.

(c) Retirement Plan- Social Security Plan Component.

(1) The following Employees shall participate in the Social Security Plan:

- (i) All Employees hired on or after November 1, 2011 must join the Social Security Plan. This requirement shall apply to Employees who previously worked for the City and are rehired on or after November 1, 2011, unless otherwise set forth in this Code of Ordinances or otherwise directed by duly enacted City legislation or other applicable law. A City elected official holding office prior to November 1, 2011 who is consecutively re-elected after November 1, 2011 shall be deemed as having continuous City employment and shall not be deemed rehired at the beginning of each consecutive term.
 - (ii) All Employees hired before November 1, 2011 who elected via Referendum to opt into Social Security must join the Social Security Plan effective November 1, 2011. Pursuant to the Referendum, these Employees must discontinue participation in their Defined Benefit Plan or Defined Contribution Retirement Plan on midnight of October 31, 2011, and shall begin participation in the Social Security Plan on November 1, 2011 for service rendered on and after that date.
- (2) Social Security Plan Participants and the City shall make the Social Security Contributions required by the Internal Revenue Code, the regulations thereunder and the Section 218 Agreement. The Employee's Social Security Contributions shall be made with pre-tax dollars.
- (3) Social Security Plan Participants may not participate in the mandatory portion of the Defined Contribution Retirement Plan, as described in Section 6-2 (d)(1) below, or in the Defined Benefit Plan, as described in Section 6-2(e) below, with regard to work performed on and after November 1, 2011. Social Security Plan Participants may participate in the Voluntary Contribution portion of the Defined Contribution Retirement Plan as described in the remainder of Section 6-2 (d) below.

(d) Retirement Plan -Defined Contribution Component.

The Defined Contribution Retirement Plan shall be set forth in a plan document to be adopted and maintained by the DC Plan Management Committee as described in Section 6-2(d)(13) below. At a minimum, the DC Plan shall contain the terms described in this Section 6-2(d).

- (1) All Employees enrolled in the Pre-November 1, 2011 Defined Contribution Plan must participate in the new DC Plan beginning November 1, 2011, unless such Employee Opted In to Social Security via the Referendum. A DC Plan Mandatory Participant must make a pre-tax contribution of 6% of Compensation into the Section 401(a) portion of her/his Retirement Account. In addition, each DB Plan Participant must make a pre-tax contribution of 2% of Compensation into the Section 401(a) portion of

her/his Retirement Account. Such contributions will be picked-up by the City on a salary reduction basis pursuant to Section 414(h) of the Internal Revenue Code of 1986, as amended. The City will match the mandatory payment of the DC Plan Mandatory Participant by contributing 6% of Compensation into the Section 401(a) portion of the Employee's Retirement Account. The City will match the mandatory 401(a) payment of the DB Plan Participant by contributing 2% of Compensation into the Section 401(a) portion of the Employee's Retirement Account. The City's contributions shall vest over a 5-year period at 20% per year, such that all contributions made by the City after the completion of the fifth year are 100% vested.

- (2) In addition to the mandatory payments made by an Employee into the Social Security Plan, DB Plan, and/or 401(a) portion of the DC Plan, each Employee has the option of making Voluntary Contributions into the Section 457(b) portion of her/his Retirement Account. The Employee's Voluntary Contribution shall be the percentage of Compensation directed by the Employee, and may not exceed the maximum contribution permitted under the Internal Revenue Code. The City will match the Employee's *Voluntary* Contribution as follows:

- (i) For DB Plan Participants who Opt Out of Social Security:

The City will match the Employee's *Voluntary* Contribution, up to 6% of Compensation, at a rate of 100%. The City will not match the remainder of the Employee's Voluntary Contribution.

- (ii) For DB Plan Participants who Opt In to Social Security:

The City will match the Employee's Voluntary Contribution, up to 8% of Compensation, at a rate of 100%. The City will not match the remainder of the Employee's Voluntary Contribution.

- (iii) For participants in the Pre-November 1, 2011 Defined Contribution Plan who Opt Out of Social Security ("DC Plan Mandatory Participants"):

The City will match the Employee's *Voluntary* Contribution, up to 4% of Compensation, at a rate of 50%. The City will not match the remainder of the Employee's Voluntary Contribution.

- (iv) For participants in the Pre-November 1, 2011 Defined Contribution Plan who Opt In to Social Security:

The City will match the Employee's Voluntary Contribution, up to 4% of Compensation, at a rate of 50%. The City will not match the remainder of the Employee's Voluntary Contribution.

- (v) For Social Security Plan Participants hired on or after November 1, 2011 who are sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department, and/or have a pay grade of 18 or lower:

The City will match the Employee's Voluntary Contribution, up to 8% of Compensation, at a rate of 100%. The City will not match the remainder of the Employee's Voluntary Contribution.

- (vi) For Social Security Plan Participants hired on or after November 1, 2011 who are not sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department and have a pay grade of 19 or higher, including such Employees who are promoted to a pay grade of 19 or higher (for their Voluntary Contributions made after the new pay grade takes effect):

The City will match the Employee's Voluntary Contribution, up to 4% of Compensation, at a rate of 50%. The City will not match the remainder of the Employee's Voluntary Contribution.

- (3) The City's Voluntary Contribution match amounts listed immediately above are in addition to the City's Social Security Plan contributions, DB Plan contributions, and contributions matching an Employee's mandatory payments to the 401(a) portion of the DC Plan.
- (4) The City's match of the Employee's Voluntary Contributions shall be deposited into the Section 401(a) portion of the Employee's Retirement Account. These match contributions shall vest over a 5-year period at 20% per year, such that all contributions made by the City after the completion of the fifth year are 100% vested.
- (5) An Employee's Years of Service accumulated prior to November 1, 2011 shall be counted in the Years-of-Service calculations under the DC Plan for the sole purpose of determining vesting as described in Section 6-2 (d)(1) and (d)(4) above
- (6) The Employee's Voluntary Contributions shall be paid with pre-tax dollars, unless indicated otherwise by the Employee in the manner prescribed by the City. Where an Employee chooses to utilize after-tax dollars for all or a portion of her/his Voluntary Contributions, said after-tax contributions shall be treated as Roth contributions to the extent allowed by Section 457(b) of the Internal Revenue Code of 1986 as amended.
- (7) An Employee may change the amount of her/his Voluntary Contribution and/or the percentage of Voluntary Contribution that is paid with after-tax dollars (if any) in the manner prescribed by the City. Such changes may be made at any time, provided that the Employee does not make changes more than one time per month.
- (8) The Retirement Account of an Employee who was enrolled in the Pre-November 1, 2011 Defined Contribution Plan shall be retained as part of the Employee's Retirement Account under the new Retirement Plan.
- (9) Each Employee shall direct how the funds in her/his Retirement Account shall be invested, selecting from a menu of investment options provided by the Plan Administrator. The Employee may select more than one investment option.
- (10) An Employee may direct lump sum distributions from her/his Retirement Account upon separation from the City, death, disability (pursuant to the City's disability retirement provisions), or retirement, in accordance with the terms of the applicable City ordinances and other laws.
- (11) Each Employee may designate one or more Retirement Account beneficiaries of her/his choice.
- (12) The Plan Administrator shall be the Chief Financial Officer or her/his designee. The Plan Administrator shall oversee the daily administration of the Defined Contribution Retirement Plan. The Plan Administrator shall report to the Management Committee of the DC Plan, as defined in number 13 immediately below.
- (13) The Management Committee of the Defined Contribution Retirement Plan shall be comprised of the Mayor or her/his designee, the Chairperson of the City Council Finance and Executive Committee, the City Attorney, the Chief Financial Officer, and the Commissioner of the Department of Human Resources. The Management Committee shall manage and operate the DC Plan. It shall make all final decisions that materially impact the management and operation of the DC Plan, except that such

decisions will be approved by duly enacted legislation where required by the Atlanta Code of Ordinances. The Management Committee shall have all powers necessary to enable it to properly carry out the duties of a retirement plan manager, which include the following: (i) engaging the services of third party service providers, consistent with the City's procurement procedures. The service providers may provide recordkeeping services for the DC Plan, provide investment fund options, provide and present investment education and other communication materials to Employees; and provide disability insurance; (ii) preparing and construing the DC Plan documents and agreements, and providing answers to all questions related thereto; (iii) providing answers to all questions relating to eligibility and benefit entitlement under the DC Plan, except where otherwise provided in this Section 6-2; (iv) maintaining records relating to Employees; (v) preparing and furnishing to Employees all applicable information required under state and/or federal law; (vi) preparing and furnishing to the third-party service provider all necessary Employee and financial data; (vii) providing direction and oversight of the third-party service provider; (viii) preparing and filing with all other appropriate government entities all reports and other information required under law to be so filed and/or published; (ix) engaging consultants, actuaries or other professional advisers as necessary to aid in the DC Plan administration; (x) arranging for fiduciary bonding if necessary; and (xi) providing procedures for benefit payments.

- (14) DC Plan Mandatory Participants may not participate in the Social Security Plan or the DB Plan.”

SECTION 5: On November 1, 2011, the Benefit Formula for each DB Plan Participant shall be modified as described below. The calculation of the Benefit Formulas as of that date and after that date shall be set forth in Charter Section 6-2. The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(e) Retirement Plan -Defined Benefit Component.

- (1) Upon retirement, a DB Plan Participant shall receive the Pension Benefit s/he accumulated for work performed prior to November 1, 2011 (the calculation of which may include Compensation for work performed on or after November 1, 2011, as described in Section 6-2(e)(8) below), plus the benefits accumulated from the new Retirement Plan for work performed on and after November 1, 2011.
- (2) For work performed prior to November 1, 2011 by a DB Plan Participant, the amount of the Employee's pension (“Pre-Change Pension Benefit”) shall be calculated as set forth below in this Section 6-2(e).
- (3) For work performed on and after November 1, 2011 by a DB Plan Participant who Opted In to Social Security, her/his Retirement Plan benefits shall be comprised of: 1) Social Security payments; and 2) earnings from Voluntary Contributions into the Section 457(b) portion of her/his Retirement Account and related City match contributions. The details of the Social Security and Voluntary Contribution benefits are set forth above in Sections 6-2(c) and (d).

- (4) For work performed on and after November 1, 2011 by a DB Plan Participant who Opted Out of Social Security, her/his Retirement Plan benefits shall be comprised of: 1) pension payments calculated under the modified DB Plan described below in this Section 6-2(e); and 2) earnings from mandatory contributions to the Employee's Section 401(a) portion of her/his Retirement Account and related City match contributions; and 3) earnings from Voluntary Contributions into the Section 457(b) portion of her/his Retirement Account and related City match contributions.
- (5) DB Plan Participants who Opted Out of Social Security shall continue to participate in the applicable DB Plan on and after November 1, 2011 (as modified by this Section 6-2(e)). The Employee's DB Plan contributions shall remain at the level set forth in her/his applicable DB Plan. In addition, DB Plan Participants who Opted Out of Social Security shall participate in the mandatory portion of the DC Plan by making a pre-tax contribution of 2% of Compensation into the Section 401(a) portion of her/his Retirement Account. Said amount shall be matched by the City at a rate of 2% of Compensation, as described in Section 6-2(d)(1) above. DB Plan Participants may also participate in the voluntary portion of the Defined Contribution Retirement Plan, described in the remainder of Section 6-2(d) above. DB Plan Participants who Opted Out of Social Security may not join the Social Security Plan.
- (6) Except as set forth in Sections 6-2(e)(8) and (e)(9) below, the calculation of both Pre-Change Pension Benefits and Post-Change Pension Benefits shall be the same as the calculation applied by the City in 2011, prior to November 1. Specifically, calculation of the Pre-Change and Post-Change Pension Benefits shall be as follows (elements of the calculation not addressed in this Section 6-2 shall be implemented as set forth in the applicable DB Plan):

(i) The DB Plan Benefit Formula ("Benefit Formula") is derived as follows:

- (A) The pension multiplier set forth in the applicable DB Plan, ranging from 1%-3% (the "Multiplier"), is multiplied by the Employee's years of service with the City ("Years of Service") (the product shall be referred to as "Years of Service Multiplier").
- (B) The Years of Service Multiplier may not exceed 80% (the "Cap"), unless the Employee opted for a Benefit Formula that waives the Cap. If the Years of Service Multiplier exceeds 80%, the Years of Service Multiplier shall be reduced to 80% ("Adjusted Years of Service Multiplier"), except that if the Employee opted to waive the Cap, the Years of Service Multiplier shall remain unchanged (also referred to as the "Adjusted Years of Service Multiplier").
- (C) The Adjusted Years of Service Multiplier shall be multiplied by Annual Compensation. Annual Compensation is determined by calculating the highest Compensation received by an Employee over a consecutive 36 month period and dividing it by three ("Annual Compensation").
- (D) The Benefit Formula is increased by applying the Employee's unused annual leave and unused sick leave at the time of retirement. Annual leave is utilized to increase the value of Annual Compensation in the Benefit Formula. Sick leave is utilized to increase the value of Years of Service in

the Benefit Formula and also to increase Annual Compensation under certain circumstances. The details of determining the value of the unused leave and how it impacts the Benefit Formula is set forth in the applicable DB Plan.

- (E) In the form of a numerical equation, the Benefit Formula for Employees whose Benefit Formula *has a Cap* is:

**Benefit Formula= Annual Compensation x {lower of: 80% or
[Multiplier x Years of Service]}**

The Benefit Formula for Employees whose Benefit Formula *does not have a Cap* is:

Benefit Formula = Annual Compensation x Multiplier x Years of Service

- (ii) The actual benefit received by the Employee (“Actual Benefit”) shall be equivalent to the Benefit Formula, unless the Employee is not fully vested in the DB Plan, or unless the Employee withdraws her/his DB pension prior to reaching Retirement Age or Thirty Years of Service. Calculation of the Actual Benefit prior to vesting and/or prior to reaching Retirement Age or Thirty Years of Service shall be as follows:

- (A) If a DB Plan Participant is fully vested in the DB Plan and withdraws her/his DB pension prior to reaching Retirement Age or Thirty Years of Service, the Benefit Formula shall be reduced by the Age Penalty amount set forth in the applicable DB Plan.
- (B) If a DB Plan Participant has completed at least 5 Years of Service with the City but has not fully vested in the DB Plan, and leaves City employment prior to reaching Retirement Age or Thirty Years of Service, the Employee may elect not to withdraw her/his pension until Retirement Age or later. At the time that the DB Plan Participant files a completed application with the City to receive pension (assuming s/he has reached Retirement Age), s/he will receive a monthly pension benefit equivalent to the Benefit Formula multiplied by the Vesting Percentage. The Vesting Percentages are as follows:

1. Completion of 5 Years of Service- 25%;
2. Completion of 6 Years of Service- 30%;
3. Completion of 7 Years of Service- 35%;
4. Completion of 8 Years of Service- 40%;
5. Completion of 9 Years of Service – 45%.
6. For DB Participants who require 10 Years of Service to fully vest, the Vesting Percentage will be 100% after the completion of 10 Years of Service.
7. For DB Participants who require 15 Years of Service to fully vest, Completion of 10 Years of Service – 50%.
8. Completion of 11 Years of Service – 55%.
9. Completion of 12 Years of Service – 60%.
10. Completion of 13 Years of Service – 65%.
11. Completion of 14 Years of Service – 70%.

12. Completion of 15 Years of Service – 75%.
13. For DB Participants who require 15 Years of Service to fully vest, the Vesting Percentage will be 100% after the completion of 15 Years of Service.

(C) If a DB Plan Participant is not fully vested in the DB Plan and leaves City employment prior to completion of 5 Years of Service, the Employee shall receive a cash-out value for her/his pension contributions equivalent to the amount s/he contributed into the DB Plan plus 5% per annum for the number of years in which s/he contributed to the DB Plan.

(D) In the form of a numerical equation, the Actual Benefit for DB Participants who are vested and retire prior to reaching Retirement Age or Thirty Years of Service is:

Actual Benefit = Benefit Formula – Age Penalty

The Actual Benefit for DB Participants who have 5 or more years of service and draw their pension at Retirement Age or later is:

Actual Benefit = Benefit Formula x Vesting Percentage

(7) The value of the Pre-Change Pension Benefit for a DB Plan Participant who retires between July 1, 2011 and midnight of October 31, 2011 shall be as set forth in Section 6-2(e)(6) above.

(8) The value of the Pre-Change Pension Benefit for a DB Plan Participant who retires after October 31, 2011, including DB Plan Participants who Opted In to Social Security, shall be as set forth in Section 6-2(e)(6) above, except for the following modifications:

(i) The value of the Years of Service factor in the DB Plan Participant's Pre-Change Benefit Formula shall be equal to the Years of Service accrued as of midnight on October 31, 2011. The DB Plan Participant will have a one-time opportunity to utilize her/his unused sick leave as of midnight October 31, 2011 to increase the Years of Service value in the Pre-Change Benefit Formula, provided that s/he retains no fewer than 80 hours of unused sick leave for future use. The increase shall be calculated as described in the applicable DB Plan, except that retirement shall not be required to apply the sick leave in this manner. The DB Plan Participant must designate the number of sick leave hours s/he wishes to apply to the Pre-Change Benefit Formula prior to November 1, 2011, at the time and in the manner prescribed by the City. Any sick leave hours used by the DB Plan Participant to enhance her/his Years of Service value may not be used in the future for sick leave or any other purpose.

(ii) The value of Annual Compensation in the Employee's Pre-Change Benefit Formula shall continue to be calculated based upon the highest Compensation received by an Employee over a consecutive 36 month period, regardless of whether all or a portion of the consecutive 36 months occurs on or after November 1, 2011. The Annual Compensation amount may be increased by adding the value of unused annual leave as described in the applicable DB Plan. It may not be increased by applying the value of unused sick leave.

- (iii) Where a DB Plan Participant previously agreed to an alternative Benefit Formula that utilizes a decreased Multiplier in exchange for elimination of the 80% Cap, the City will determine the value of the Employee's Pre-Change Benefit Formula at the time of her/his retirement by using the standard calculation and by using the alternative calculation. The City will apply the higher calculation when determining the Pre-Change Pension Benefit.
 - (iv) Where a DB Plan Participant has not vested in the DB Plan as of midnight on October 31, 2011, s/he may apply her/his Years of Service with the City after October 31, 2011 for the sole purpose of increasing the Vesting Percentage in the calculation of her/his Pre-Change Pension Benefit, up to 100% where applicable. The additional time with the City may not be used to increase the Years of Service amount in the Pre-Change Benefit Formula.
- (9) The value of the Post-Change Pension Benefit of a DB Plan Participant who Opted In to Social Security shall be zero. The value of the Post-Change Pension Benefit of a DB Plan Participant who Opted Out of Social Security shall be as set forth in Section 6-2(e)(6) above, except for the following modifications:
- (i) The value of Years of Service in the DB Plan Participant's Post-Change Benefit Formula shall be the Years of Service between November 1, 2011 and the date of retirement.
 - (ii) The value of Annual Compensation in the DB Plan Participant's Post-Change Benefit Formula shall be calculated based upon the highest Compensation received by an Employee over a consecutive 36 month period, regardless of whether all or a portion of the consecutive 36 months occurs prior to November 1, 2011. The Compensation amount may be increased by adding the value of unused annual leave as described in the applicable DB Plan.
 - (iii) The Multiplier in the DB Plan Participant's Post-Change Benefit Formula shall be 1%.
 - (iv) Any unused sick leave as of November 1, 2011, and any unused sick leave accumulated after November 1, 2011 may not be utilized to change any aspect of a DB Plan Participant's Post-Change Pension Benefits, including without limitation her/his Post-Change Benefit Formula.
 - (v) The Cost of Living Adjustment for Post-Change Pension Benefits shall be a maximum amount of 1%."

SECTION 6: The New Retirement Plan shall offer a Long Term Disability Benefit to Eligible Employees who become totally and permanently disabled on or after November 1, 2011. All other Employees shall receive Long Term Disability Insurance coverage through their participation in the Retirement Plan. To that effect, the following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(f) Long Term Disability Benefit

- (1) A Long Term Disability Benefit or Disability Benefit is established pursuant to this Section 6-2, and is different from the Disability Pension established in and provided

pursuant to the DB Plans. Eligible Employees whose Date of Disability is on or after November 1, 2011 shall be eligible for a Disability Benefit pursuant to the terms set forth in this Section 6-2(f). The Eligible Employee must submit a completed application to the Disability and Survivor Benefits Committee to apply for a Disability Benefit.

(2) The following provisions shall apply to the calculation of the Disability Benefit for every Eligible Employee:

(i) The City will provide a Long Term Disability Benefit to an Eligible Employee who is determined to be Totally and Permanently Disabled by the Disability and Survivor Benefits Committee. The DSB Committee shall make its determination by utilizing a preponderance of the evidence standard, and shall base its decision on official medical records, other documentary evidence, qualified medical expert opinions, sworn testimony, and/or other reliable sources accepted by the DSB Committee. The DSB Committee shall provide its determination in writing, with a detailed explanation of the supporting evidence. The City or the Eligible Employee may appeal the DSB Committee's determination pursuant to applicable law and the process established by the DSB Committee.

(A) Where the Eligible Employee applies for a Disability Benefit *and* a Disability Pension for the same underlying condition, the Eligible Employee shall submit identical applications and information to the DSB Committee and the appropriate Pension Board. All hearings regarding the application, including any appeal hearings, shall be presented to the DSB Committee and appropriate Pension Board simultaneously.

(B) The DSB Committee shall make a final determination about whether the Eligible Employee may receive a Disability Benefit. The DSB Committee decision shall be separate from the decision of the applicable Pension Board regarding the Disability Pension. It is acceptable for the determinations of the two bodies to differ.

(C) This process shall be utilized for determinations regarding whether an injury qualifies as a Disability in the Line of Duty or a Catastrophic Injury in the Line of Duty, and also whether Survivor Benefits shall be awarded as set forth in Section 6-2(g) below.

(ii) The Long Term Disability Benefit provided to an Eligible Employee shall begin after the Employee has utilized all of her/his accumulated sick leave.

(iii) The Long Term Disability Benefit shall continue until the earlier of the end of the Eligible Employee's Total and Permanent Disability, the Eligible Employee's attainment of Retirement Age or Thirty Years of Service, or death of the Eligible Employee.

(iv) During the time that an Eligible Employee is receiving a Disability Benefit, the Employee's and the City's mandatory contributions to the Employee's Retirement Plan, including Social Security contributions, shall cease. The Employee may make Voluntary Contributions to the 457(b) portion of her/his Retirement Account. The City will not match any portion of the Voluntary Contributions while the Employee is receiving a Disability Benefit.

- (v) The monthly amount of a DB Participant's Long Term Disability Benefit shall be reduced by the monthly amount of her/his Disability Pension, where such Disability Pension is calculated under the applicable DB Pension Plan as amended by this Section 6-2.
 - (vi) In the event that the Eligible Employee receiving a Long Term Disability Benefit also receives a Workers' Compensation award for the same illness or injury for which the City is paying a Disability Benefit, the monthly amount of the Disability Benefit shall be reduced such that the sum of the monthly Disability Benefit amount, plus the monthly Disability Pension amount if any, plus the monthly value of the Workers' Compensation award, does not exceed 75% of the Eligible Employee's Monthly Compensation. This Section 6-2(f)(2)(vi) shall not apply to Eligible Employees who suffered a Catastrophic Injury in the Line of Duty, as defined in Section 6-2(f)(3)(iii) below. In addition, this Section 6-2(f)(2)(vi) shall not prevent the restoration of some or all of the Employee's Disability Benefit upon reduction or termination of any such Workers' Compensation payments.
 - (vii) Upon the Eligible Employee's attainment of Retirement Age or Thirty Years of Service, the Long Term Disability Benefit shall cease. Where the Eligible Employee is a DB Plan Participant, s/he may collect her/his retirement Pension Benefit and any funds in her/his Retirement Account in the manner set forth in this Section 6-2. Where the Eligible Employee is not a DB Plan Participant, the City shall deposit a lump sum amount into the Section 401(a) portion of the Employee's Retirement Account that shall be equal to twelve percent (12%) of the Eligible Employee's Compensation at the Date of Disability, multiplied by the number of years (including fractions thereof) that the Eligible Employee received a Long Term Disability Benefit. This deposit shall be made regardless of whether the Eligible Employee is a member of the Social Security Plan. The provisions set forth in this Section 6-2 regarding utilization of the Retirement Account shall then be applied.
 - (vii) Upon the death of an Eligible Employee who is receiving a Long Term Disability Benefit, the monthly Long Term Disability Benefit shall cease and any future benefits shall be determined as set forth in Section 6-2 (g) below, entitled Survivor Benefits.
- (3) Disability Benefits shall be calculated based upon the type of disability, utilizing the applicable formula set forth below, and applying the provisions set forth in Section 6-2(f)(2) above. A monthly long term disability benefit for Eligible Employees shall be calculated as follows:
- (i) Disability in the Line of Duty:
 - (A) Disability in the Line of Duty means that an Eligible Employee is Totally and Permanently Disabled due to an injury that occurred while in the line of duty or due to an illness contracted solely as a result of activities performed while in the line of duty.

(B) A DB Plan Participant who was hired before 1986 will receive a monthly Long Term Disability Benefit amount that is equal to 70% of her/his Monthly Compensation. This amount shall be adjusted as set forth in Section 6-2(f)(2)(iv) and (v) above.

(C) Eligible Employees who were hired on or after January 1, 1986 will receive a monthly Long Term Disability Benefit equal to the greater of: a) 50% of the Eligible Employee's Monthly Compensation as adjusted pursuant to Section 6-2(f)(2)(iv) and (v) above; or b) the value of the following as adjusted pursuant to Section 6-2(f)(2)(iv) and (v) above:

1. For sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department hired on or after January 1, 1986 and before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
2. For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
3. For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.

ii. Disability Not in the Line of Duty:

(A) Disability Not in the Line of Duty means that an Eligible Employee is Totally and Permanently Disabled due to an injury that did not occur while in the line of duty or due to an illness that was not contracted solely as a result of activities performed while in the line of duty.

(B) A DB Plan Participant who was hired before 1986 will receive a monthly Long Term Disability Benefit that is equal to:

1. For all sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%. This amount shall be adjusted as set forth in Section 6-2(f)(2)(iv) above.
2. For all non-sworn Eligible Employees: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%. This amount shall be adjusted as set forth in Section 6-2(f)(2)(iv) above.

(C) Eligible Employees who were hired on or after January 1, 1986 and with at least 5 Years of Service will receive a monthly Long Term Disability Benefit equal to the greater of: a) 50% of the Eligible Employee's Monthly

Compensation, as adjusted pursuant to Section 6-2(f)(2)(iv) above; or b) the value of the following as adjusted pursuant to Section 6-2(f)(2)(iv) above:

1. For sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department hired after January 1, 1986 and before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
2. For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
3. For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.

iii. Catastrophic Injury in the Line of Duty:

(A) For purposes of this Section 6-2 (f), "Catastrophic Injury" shall mean a sudden, violent, life-threatening injury sustained on or after November 1, 2011 by an Eligible Employee in the line of duty, that causes the Employee to be Totally and Permanently Disabled, and which injury is due to an externally-caused event or events. Catastrophic Injury shall be determined by the DSB Committee based upon the procedure set forth in Section 6-2 (f)(2)(i) above. Examples of Catastrophic Injury shall include without limitation the following:

1. Loss of sight in one or both eyes;
2. Loss of one or both feet at or above the ankle;
3. Loss of one or both hands at or above the wrist;
4. An injury to the spine that results in permanent and complete paralysis of both arms, both legs, or one arm and one leg;
5. An externally caused traumatic physical injury to the brain or skull that renders one physically or mentally unable to perform two or more Activities of Daily Living (feeding oneself, dressing, continence, bathing, toileting and transferring, i.e. getting in and out of bed), driving a motor vehicle, or similar activities; and/or
6. A permanent severely disabling injury or disorder that compromises the ability to carry out the activities of daily living to such a degree that the individual requires personal or mechanical assistance to leave home or bed or requires constant supervision to avoid physical harm to self or others.

(B) Any Eligible Employee who receives a Catastrophic Injury in the Line of Duty will receive a fixed monthly Long Term Disability Benefit equal to

100% of the top salary for the payroll grade and position that s/he occupied at the Date of Disability.

- (4) Where an Eligible Employee believes that she has suffered a Total and Permanent Disability, s/he shall notify the DSB Committee as soon as practicable based upon the Eligible Employee's condition after the injury or illness is incurred. In addition, where a City Commissioner has any employee in her/his Department that claims to be Totally and Permanently Disabled, the Commissioner shall immediately notify the Commissioner of the Department of Human Resources, who shall immediately notify the DSB Committee. The DSB Committee shall determine if the Employee is an Eligible Employee, and if so, shall conduct an investigation and make a written determination regarding whether the Eligible Employee is Totally and Permanently Disabled, whether the Disability arose in the line of duty, and whether the Eligible Employee suffered a Catastrophic Injury in the Line of Duty. The written determination shall be issued within 90 days of the date on which the DSB Committee was informed of the disability claim.
- (5) Where the DSB Committee determines that an Eligible Employee is Totally and Permanently Disabled, and the Eligible Employee receives a Disability Benefit, the DSB Committee shall have the right to conduct an annual review of the Eligible Employee's condition. A review may occur more often than one time per year if the DSB Committee reasonably believes that the Eligible Employee is no longer Totally and Permanently Disabled. The DSB Committee shall conduct its review and make its determination using the procedure set forth in Section 6-2 (f)(2)(i) above. As part of this review, the DSB Committee shall have the right to require the Eligible Employee to submit to a medical examination. The purpose of the examination shall be to determine whether the Eligible Employee has recovered sufficiently such that s/he is able to return to a job or work position for which he/she is or becomes reasonably qualified by education, training or experience. If the DSB Committee determines that the Eligible Employee is no longer Totally and Permanently Disabled, the payment of the Long Term Disability Benefit shall be discontinued. The City or the Eligible Employee may appeal the DSB Committee's determination(s) pursuant to applicable law and the process established by the DSB Committee.
- (6) All Employees who are not "Eligible Employees" shall receive Long Term Disability Insurance coverage through their participation in the Retirement Plan."

SECTION 7: The New Retirement Plan shall offer a Survivor Benefit to Eligible Employees. Accordingly, the following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

"(g) Survivor Benefit

- (1) A Survivor Benefit is established pursuant to this Section 6-2. The Survivor Benefit is paid to the designated beneficiary of an Eligible Employee if the Employee dies prior to retiring from the City, and the death occurs on or after November 1, 2011. The terms of calculating and providing the Survivor Benefit are set forth below in this

- Section 6-2(g). The Survivor Benefit is different from the survivor pension benefit established in and provided pursuant to the DB Plans.
- (2) The City of Atlanta will provide a Survivor Benefit that shall be paid monthly to the designated beneficiary or beneficiaries of an Eligible Employee at the time of her/his death, as calculated below in this Section 6-2(g).
 - (3) Each Eligible Employee must designate a primary beneficiary and, if desired, a secondary beneficiary for the purpose of receiving a Survivor Benefit.
 - (i) The primary beneficiary and secondary beneficiary (if any) must be a “Qualified Beneficiary”, thereby meeting one of the following descriptions:
 - (A) The spouse or domestic partner (as defined in the Atlanta Code of Ordinances) of the Eligible Employee; and/or
 - (B) The child or children (natural or legally adopted) of the Eligible Employee who is/are unmarried, and is either younger than 18 years of age, or younger than 23 years of age and enrolled as a full-time student at an accredited secondary school, college or university.
 - (ii) The Eligible Employee may not designate the same Qualified Beneficiary as a primary and a secondary beneficiary.
 - (iii) The Eligible Employee may change her/his primary and or secondary beneficiary to another Qualified Beneficiary/Beneficiaries in the manner prescribed by the City. Such changes may be made at any time, provided that the Employee does not make changes more than one time per month.
 - (iv) If the primary beneficiary should no longer meet the definition of “Qualified Beneficiary” at the time of the Eligible Employee’s death, the entire Survivor Benefit shall be provided to the secondary beneficiary (if any) provided that s/he is a Qualified Beneficiary.
 - (4) Upon the death of an Eligible Employee, her/his primary and/or secondary Beneficiary may apply to the Disability and Survivor Benefits Committee for a Survivor Benefit equal to 75% of the application of the following formula:
 - (i) For sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the date of death, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
 - (ii) For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the date of death, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
 - (iii) For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the date of death, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.

- (iv) For the calculations above, where an Eligible Employee received a Disability Benefit during any portion of her/his Years of Service, the "Years of Service at the date of death" calculation shall include the years or parts thereof in which s/he received a Disability Benefit.
- (5) The total monthly value of the Survivor Benefit shall be reduced by the monthly amount of the Eligible Employee's survivor pension benefit as calculated under the applicable DB Pension Plan as amended by this Section 6-2, such that the total monthly payment of the Survivor Benefit plus the survivor pension benefit shall not exceed 100% of the monthly value of the Survivor Benefit as calculated herein.
- (6) Where an Eligible Employee dies as a result of injuries incurred in the line of duty, her/his primary Qualified Beneficiary may receive a monthly payment for two years following the date of the Employee's death, and such payment shall be equal to the Compensation to which such Eligible Employee would have been entitled had s/he remained in active service. At the expiration of the two-year period referred to herein, the Survivor Benefit due the primary beneficiary shall be computed in accordance with the formula described in Section 6-2 (g)(4) above, except that the Eligible Employee's vesting percentage shall be calculated as 100%. The Survivor Benefit for a primary Qualified Beneficiary shall be paid to the secondary Qualified Beneficiary or Beneficiaries upon the death or ineligibility of the primary Qualified Beneficiary.
- (7) The Commissioner of the Department of Human Resources shall immediately notify the Disability Survivor Benefit Committee upon the death of any employee in her/his Department. The DSB Committee shall determine if the Employee is an Eligible Employee, and if so, shall conduct an investigation and make a written determination regarding whether the Eligible Employee's death was incurred in line of duty. It shall also determine whether the primary and secondary beneficiaries are Qualified Beneficiaries. The written determination shall be issued within 90 days of the date on which the DSB Committee was informed of the death. The DSB Committee shall conduct its review and make its determination using the procedure set forth in Section 6-2 (f)(2)(i) above. The City, the primary beneficiary and/or the secondary beneficiary may appeal the DSB Committee's determination pursuant to applicable law and the process established by the DSB Committee."

SECTION 8: The City of Atlanta Charter is hereby amended to modify the Fire Fighters' Pension Fund to take effect on November 1, 2011. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article IV (Firefighters), Sections 6-366 through 6-420, shall be amended by adding a new Section 6-400 that shall read as follows:

"Sec. 6-400. Application of Pension Modification on November 1, 2011.

There has been raised and established funds for the aid, relief and pension of members of the Atlanta Fire Department who were in active service on or after the date of the passage of this act, and who were hired between the time of the passage of this act and November 1, 2011 ("Firefighters' Pension Fund").

Members of the Firefighters' Pension Fund hired on or after January 1, 1984 who are active service employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City Charter. All retirement benefits earned as of midnight on October 31, 2011 will remain unchanged, and all rules regarding said benefits, including without limitation distribution of said benefits, will be subject to the provisions set forth in this Article IV, Sections 6-366 through 6-420, except as modified by Section 6-2 of the City of Atlanta Charter. No one may join the Firefighters' Pension Fund after October 31, 2011, and the retirement benefits of employees hired after October 31, 2011 shall be determined as set forth in Section 6-2 of the City of Atlanta Charter. The retirement plan and benefits of the following members of the Firefighters' Pension Fund shall remain unchanged: 1) members who were active service City Employees on November 1, 2011 who were hired before January 1, 1984; and 2) members who retired before November 1, 2011."

SECTION 9: The City of Atlanta Charter is hereby amended to modify the Police Department Pension Fund to take effect on November 1, 2011. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article III (Police Department), Sections 6-221 through 6-280, shall be amended by adding a new Section 6-258 that shall read as follows:

"Sec. 6- 258. Application of Pension Modification on November 1, 2011.

There has been raised and established funds for the relief and pensioning of members of the Atlanta Police Department who were in active service on or after the date of the passage of this act, and who were hired between the time of the passage of this act and November 1, 2011 ("Police Officers' Pension Fund"). Members of the Police Officers' Pension Fund hired on or after January 1, 1984 who are active service employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City Charter. All retirement benefits earned as of midnight on October 31, 2011 will remain unchanged, and all rules regarding said benefits, including without limitation distribution of said benefits, will be subject to the provisions set forth in this Article III, Sections 6-221 through 6-280, except as modified by Section 6-2 of the City of Atlanta Charter. No one may join the Police Officers' Pension Fund after October 31, 2011, and the retirement benefits of employees hired after October 31, 2011 shall be determined as set forth in Section 6-2 of the City of Atlanta Charter. The retirement plan and benefits of the following members of the Police Officers' Pension Fund shall remain unchanged: 1) members who were active service City employees on November 1, 2011 who were hired before January 1, 1984; and 2) members who retired before November 1, 2011."

SECTION 10: The City of Atlanta Charter is hereby amended to modify the Nonuniformed Officers and Employees Pension Fund to take effect on November 1, 2011. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article II

(Nonuniformed Officers and Employees), Sections 6-36 through 6-140, shall be amended by adding a new Section 6-104 that shall read as follows:

“Sec. 6-104. Application of Pension Modification on November 1, 2011.

There has been raised and established funds for the relief and pensioning of members of nonuniformed officers and employees of the City of Atlanta who were in active service on or after the date of the passage of this act, and who were hired between the time of the passage of this act and midnight on October 31, 2011 (“General Employees’ Pension Fund”). Members of the General Employees’ Pension Fund hired on or after January 1, 1984 who are active service employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City Charter. All retirement benefits earned as of midnight on October 31, 2011 will remain unchanged, and all rules regarding said benefits, including without limitation distribution of said benefits, will be subject to the provisions set forth in this Article III, Article III, Sections 6-36 through 6-140, except as modified by Section 6-2 of the City Charter. No one may join the General Employees’ Pension Fund after October 31, 2011, and the retirement benefits of employees hired after October 31, 2011 shall be determined as set forth in Section 6-2 of the City of Atlanta Charter. The retirement plan and benefits of the following members of the General Employees’ Pension Fund shall remain unchanged: 1) members who were active service City employees on November 1, 2011 who were hired before January 1, 1984; and 2) members who retired before November 1, 2011.”

SECTION 11: This Ordinance shall take effect at the time of its adoption.

SECTION 12: All ordinances and parts of ordinances in conflict herewith are hereby waived for purposes of this ordinance only, and only to the extent of the conflict.

AN ORDINANCE

11-O-0672

BY COUNCILMEMBERS AARON WATSON, H. LAMAR WILLIS
AND KEISHA LANCE BOTTOMS

AS SUBSTITUTED ~~#~~ 2
BY: FINANCE/EXECUTIVE COMMITTEE

AN ORDINANCE TO AMEND THE RETIREMENT BENEFITS OFFERED BY THE CITY OF ATLANTA TO ITS ELIGIBLE ACTIVE EMPLOYEES BY: PLACING A SOFT FREEZE ON THE GENERAL EMPLOYEES' PENSION FUND, FIREFIGHTERS' PENSION FUND AND POLICE OFFICERS' PENSION FUND, AND REDUCING THE MULTIPLIER AND COST OF LIVING ADJUSTMENT OF SAID FUNDS TO 1%; CREATING A NEW SECTION 6-2 IN THE CITY OF ATLANTA CHARTER, SO AS TO PROVIDE A RETIREMENT PROGRAM FOR ALL ELIGIBLE CITY EMPLOYEES FOR WORK PERFORMED ON AND AFTER NOVEMBER 1, 2011; CLARIFYING THAT PENSION BENEFITS OF RETIREES REMAIN UNCHANGED AND BENEFITS ACCUMULATED BY ACTIVE EMPLOYEES HIRED PRIOR TO JANUARY 1, 1984 REMAIN UNCHANGED; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") provides its retirees and active employees with retirement benefits through a General Employees' Pension Fund, a Police Officers' Pension Fund, a Firefighters' Pension Fund, and a Defined Contribution Plan; and

WHEREAS, the unfunded liability of the three Pension Plans has dramatically increased since 2005; and

WHEREAS, the City's annual required contribution to the three Pension Plans has become a steadily increasing percentage of its annual budget; and

WHEREAS, continued increases to the annual required contribution to the Pension Plans threaten the fiscal stability of the City; and

WHEREAS, the City wishes to reduce its annual pension cost as a percentage of its budget, reduce and pay off its unfunded pension liability, competitively align its retirement options with other local jurisdictions, and provide a long-term and sustainable solution for supporting employee retirement plans; and

WHEREAS, City Charter Section 3-507 allows the City to modify its pension laws “only by ordinance adopted by at least two-thirds of the total membership of the council and duly approved by the mayor”; and

WHEREAS, it is the desire of the City of Atlanta to amend Atlanta City Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions) as set forth herein below.

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA AS FOLLOWS:

SECTION 1. A retirement plan (“Retirement Plan”) is hereby established for all City of Atlanta: 1) permanent, full-time, active employees hired on or after January 1, 1984; and 2) elected officials in office on or after November 1, 2011 (hereinafter collectively “Employees” or in the singular, “Employee”). The Retirement Plan shall be in effect for all work performed by the Employee on or after November 1, 2011. All Employees who are enrolled on October 31, 2011 in the City’s Firefighters’ Pension Plan (pursuant to City Charter Sections 6-366 through 6-420), Police Officers’ Pension Plan (pursuant to City Charter Sections 6-221 through 6-280), or General Employees’ Pension Plan (pursuant to City Charter Sections 6-36 through 6-140), (collectively the “DB Plans”), or who are enrolled in the City’s pre- November 1, 2011 defined contribution plan (pursuant to City Ordinance number 01-O-0064), shall become members of the new Retirement Plan on November 1, 2011, the details of which are set forth in Sections 3 of this Ordinance 11-O-0672. A soft freeze shall be placed on the DB Plans with respect to all Employees, effective October 31, 2011, as set forth below. The retirement system currently in effect for retirees whose date of retirement was prior to November 1, 2011, and for permanent, full-time, active City employees hired prior to January 1, 1984, shall remain unchanged. Any retiree, former employee or former elected official of the City who is rehired as an Employee on or after November 1, 2011 shall be a member of the new Retirement Plan with respect to service performed after such rehire.

SECTION 2. The Retirement Plan shall be comprised of a modified version of the DB Plans, Social Security, and a Defined Contribution Plan. In order to implement the Retirement Plan, the following authorizations are hereby granted:

- (a) The Mayor or his designee, on behalf of the City, is hereby authorized to establish a Defined Contribution Plan which shall consist of the following: a plan which qualifies as a governmental plan under the provisions of Section 401(a) of the Internal Revenue Code of 1986 as amended; and a plan that meets the requirements of Section 457(b) of the Internal Revenue Code of 1986 as amended as applicable to governmental entities. This grant of authorization shall include authorization to take all steps necessary and execute all documents required to establish Section 401(a) and Section 457(b) plans that are part of the Retirement Plan. Said Defined Contribution Plan shall take effect on November 1, 2011. The details of such plan, including eligibility, vesting, contributions and benefits, shall be as set forth in Section 4 of this Ordinance 11-O-0672.
- (b) On behalf of the City, a Defined Contribution Plan Management Committee, composed of the Mayor or her/his designee, the Chairperson of the City Council Finance and

Executive Committee, the City Attorney, the Chief Financial Officer, and the Commissioner of the Department of Human Resources, is authorized to adopt and maintain a written Defined Contribution Plan Document that sets forth the details of the City's Defined Contribution Plan, and said details shall include without limitation the Defined Contribution Plan terms set forth in Section 4 below. The Plan Document shall be amended from time to time to comply with the applicable Internal Revenue Code provisions. Any change to the eligibility, benefits, and/or vesting provisions shall require legislative approval pursuant to City Charter Section 3-507.

- (c) The Mayor or his designee, on behalf of the City, is hereby authorized to take all steps necessary and execute all documents required for the City to join the retirement program provided by the Employee's Retirement System of Georgia, and to join in the Section 218 Agreement administered by the Georgia Social Security Administrator, thereby enabling Employees to participate in the Federal Social Security Program ("Social Security").

SECTION 3: The City shall implement the new Retirement Plan by amending the City of Atlanta Charter to add a new Charter Section 6-2. Accordingly, the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions) is hereby amended by adding a new Section 6-2. The definitions for Section 6-2 shall be set forth in Section (a) which shall read as follows:

"Sec. 6-2. Retirement Benefits.

- (a) The following words, terms and phrases, when used in this Section 6-2, shall have the meanings ascribed to them in this Subsection (a), except where the context clearly indicates a different meaning:
 - (1) *Actual Benefit* means the annual gross amount of the retirement benefit received by a DB Participant. The term is synonymous with "Pension Benefit".
 - (2) *Benefit Formula* means the base calculation utilized to calculate the Actual Benefit received by each DB Participant. Adjustments are made to this calculation to determine the Actual Benefit.
 - (3) *City* means the City of Atlanta.
 - (4) *Compensation* means an Employee's annual salary from the City of Atlanta. This includes: base wages of the Employee (including lump-sum payments thereof); amounts contributed or deferred by the Employee and not includable in gross income under sections 125, 132(f) or 457 of the U.S. Internal Revenue Code; amounts contributed by the Employee to a governmental qualified retirement plan and treated as employer contributions under Section 414(h) of the U.S. Internal Revenue Code; and amounts credited to the Employee for furlough hours. Compensation shall not include: disability insurance payments; travel, mileage or automobile-related allowances or reimbursements; bonuses (other than sick-leave bonuses); performance awards; overtime or premium payments; or any other special, unusual or nonrecurring payment.

- (5) *Date of Disability* means the date upon which the Eligible Employee became totally and permanently disabled, as determined in writing by the Disability and Survivor Benefits Committee. In the case of Catastrophic Injury in the Line of Duty, the Date of Disability means the date upon which the Eligible Employee suffered the Catastrophic Injury, as determined in writing by the Disability and Survivor Benefits Committee.
- (6) *DB Plan* or *Defined Benefit Plan* means the City's Firefighters' Pension Plan (set forth in City Charter Sections 6-366 through 6-420), the Police Officers' Pension Plan (set forth in City Charter Sections 6-221 through 6-280), and/or the General Employees' Pension Plan (set forth in City Charter Sections 6-36 through 6-140).
- (7) *DB Plan Participant* means an Employee (as defined in this Section 6-2(a)(14)) who was enrolled on October 31, 2011 in a DB Plan.
- (8) *DC Plan* or *Defined Contribution Retirement Plan* means the Defined Contribution Retirement Plan established by this Section 6-2 that: 1) includes a plan established under Section 401(a) of the Internal Revenue Code of 1986, as amended; 2) includes the ability of Employees to make voluntary contributions to an account meeting the definition of Section 457(b) of the Internal Revenue Code of 1986 as amended; and 3) takes effect on November 1, 2011.
- (9) *DC Plan Mandatory Participant* means an Employee who was enrolled on October 31, 2011 in the Pre-November 1, 2011 Defined Contribution Plan, and who must participate in the DC Plan established after November 1, 2011. DC Plan Mandatory Participants are not members of a DB Plan and are not enrolled in Social Security pursuant to their City employment.
- (10) *Disability and Survivor Benefits Committee* or the *DSB Committee* means a group of no fewer than 7 people and no greater than 9 people, where members are appointed by the Mayor or her/his designee, and which includes at least one licensed physician, at least one licensed psychiatrist, the Chief Financial Officer, the Commissioner of the Department of Human Resources, one member of the General Employees' Pension Fund Board of Trustees for so long as such Board shall exist, and one member of either the Police Officers' Pension Fund Board of Trustees or the Firefighters' Pension Fund Board of Trustees for so long as such Board(s) shall exist.
- (11) *Disability Benefit*- see Long Term Disability Benefit.
- (12) *Disability Pension* means the benefit provided to a DB Participant pursuant to the applicable DB Pension Plan, based upon the eligibility criteria set forth in said Plan. A Disability Pension, which is established by the DB Pension Plans, is different from a Disability Benefit/Long Term Disability Benefit which is established by this Section 6.2.
- (13) *Eligible Employees* (or in the singular *Eligible Employee*) means all Employees who may receive a Long Term Disability Benefit from the City if they meet the criteria for receipt of the benefit. Eligible Employees are all DB Plan Participants, all Employees hired after November 1, 2011 who are sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department, and all other Employees hired after November 1, 2011 with a starting salary of pay grade 18 or lower.
- (14) *Employees* (or in the singular *Employee*) means City of Atlanta: 1) permanent, full-time, active employees hired on or after January 1, 1984; and 2) elected officials in office on or after November 1, 2011.

- (15) *Long Term Disability Benefit or Disability Benefit* means the amount paid to an Eligible Employee pursuant to this Section 6.2, where the Eligible Employee is determined to be Totally and Permanently Disabled by the Disability and Survivor Benefits Committee. A Disability Benefit may be provided for Disability in the Line of Duty, Catastrophic Injury in the Line of Duty, and Disability Not in the Line of Duty. A Disability Benefit established by this Section 6.2 is different from a Disability Pension which is established by the DB Pension Plans.
- (16) *Monthly Compensation* means the amount utilized to calculate the Disability Benefit of an Eligible Employee, and is equal to the highest 36 consecutive months of Compensation received by the Eligible Employee prior to the Date of Disability, divided by thirty-six.
- (17) *Multiplier* means the percentage utilized in the calculation of a DB Participant's Pension Benefit Formula. The Multiplier is established by the terms of the DB Pension Plan in which the DB Participant is enrolled.
- (18) *Pension Benefit* means the annual gross amount received upon retirement by a DB Plan Participant from the DB Plan in which s/he participated. The term is synonymous with "Actual Benefit". The Pension Benefit is different from the Disability Benefit and the Survivor Benefit, even though all three are derived from a DB Plan.
- (19) *Post-Change Benefit Formula* means the DB Plan Participant's Benefit Formula that is utilized to determine her/his Post-Change Pension Benefit.
- (20) *Post-Change Pension Benefit* means the Pension Benefit (as defined in Section 6-2(a)(18) above) accumulated by a DB Plan Participant for worked performed on and after November 1, 2011.
- (21) *Pre-Change Benefit Formula* means the DB Plan Participant's Benefit Formula that is utilized to determine her/his Pre-Change Pension Benefit.
- (22) *Pre-Change Pension Benefit* means the Pension Benefit (as defined in Section 6-2(a)(18) above) accumulated by a DB Plan Participant for worked performed prior to November 1, 2011.
- (23) *Pre-November 1, 2011 Defined Contribution Plan* means the City's defined contribution plan created pursuant to City Ordinance number 01-O-0064 that was in effect through and including October 31, 2011.
- (24) *Retirement Account* means the combination of all accounts owned by each Employee that contains her/his monetary benefits from the Defined Contribution Retirement Plan, including the Section 401(a) and Section 457(b) accounts, and the benefits from her/his Pre-November 1, 2011 Defined Contribution Plan if applicable.
- (25) *Retirement Age* means a DB Plan Participant in the Firefighters' Pension Plan or Police Officers' Pension Plan who is 55 years of age or older, or a DB Plan Participant in the General Employees' Pension Plan who is 60 years of age or older.
- (26) *Retirement Plan* means the entire package of retirement benefits offered by the City to its Employees as of November 1, 2011. The package is comprised of the DC Plan, the DB Plans, and Social Security. The eligibility of Employees for different parts of the Retirement Plan is set forth in this Section 6-2.
- (27) *Social Security* means the Federal Social Security Program, set forth in 42 U.S.C. Section 301 *et seq.*

- (28) *Social Security Contribution* means the percentage of Compensation contributed by an Employee into the Social Security Plan, as mandated by the Federal Social Security Act.
- (29) *Social Security Plan* means the City benefit offered to City Employees to join Social Security. Employee participation in Social Security is authorized by Section 218 of the Federal Social Security Act and by O.C.G.A. § 45-5-1(a).
- (30) *Social Security Plan Participant* means an Employee who participates in Social Security pursuant to her/his employment with the City.
- (31) *Thirty Years of Service* means the date upon which a DB Plan Participant's Years of Service, as defined below, is thirty years, where such calculation is utilized for the sole purpose of determining whether the Employee may retire prior to Retirement Age without receiving an age penalty. For the purpose of determining whether an Employee has attained Thirty Years of Service, the Years of Service amount may not be increased by application of the Employee's unused sick leave or unused annual leave, unless otherwise authorized by duly enacted City legislation.
- (32) *Totally and Permanently Disabled/ Total and Permanent Disability* means a state or condition of physical and/or mental incapacity resulting from an illness or injury suffered by an Eligible Employee, such that s/he is not expected to be able to perform the needed duties of any occupation for which s/he is qualified by education, training or experience, even after reaching the point of maximum healing. An Eligible Employee will be deemed totally and permanently disabled only if the City's Disability and Survivor Benefits Committee makes a written determination that the Employee meets the following criteria: a) the Committee reasonably anticipates that for 12 months following the Date of Disability, the incapacitation will cause the Employee to be unable to perform her/his regular, assigned or comparable duties; and b) the Committee reasonably anticipates that after the initial 12 month period, the incapacitation will cause the Employee to be unable to engage in any occupation for which s/he is or becomes reasonably qualified by education, training or experience.
- (33) *Voluntary Contribution* means the amount an Employee contributes to her/his Retirement Account, where such contribution is not mandated.
- (34) *Years of Service* means the number of consecutive years or fractions thereof during which a DB Plan Participant was a permanent, full-time, active employee for the City. Years of Service may also include periods of time when the DB Plan Participant is Totally and Permanently Disabled, but only as set forth in Section 6-2(f) below. Years of Service may also include non-consecutive years or fractions thereof where authorized by duly enacted City legislation."

SECTION 4: The Retirement Plan shall consist of a Social Security Plan component, a Defined Contribution Plan component, and a modified Defined Benefit Plan component, all of which shall be implemented on November 1, 2011. Under the Defined Contribution component of the Retirement Plan, all mandatory contributions by the Employee and all City contributions shall be placed in a Section 401(a) account. All voluntary contributions by the Employee shall be placed in a Section 457(b) account. The City of Atlanta Charter shall be amended to establish the Retirement Plan. The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(b) The City shall offer a Retirement Plan to all Employees effective November 1, 2011, and such Retirement Plan shall consist of a Social Security Plan component, a Defined Contribution Plan component, and a Defined Benefit Plan component. Upon retirement, Employees in the Retirement Plan who worked for the City prior to November 1, 2011 shall receive: 1) the retirement benefits they accrued prior to November 1, 2011; and 2) the benefits they accrue under the new Retirement Plan.

(c) Retirement Plan- Social Security Plan Component:

- (1) All Employees hired on or after November 1, 2011 will be required to join the Social Security Plan regardless of whether the Employee had been previously employed by the City, unless otherwise set forth in this Code of Ordinances. These Employees and the City shall make the Social Security Contributions required by the Internal Revenue Code, the regulations thereunder and the Section 218 Agreement. Employee contributions shall be made with pre-tax dollars. An Employee who is a City elected official in office prior to November 1, 2011 and is consecutively re-elected after November 1, 2011 shall not be deemed as an “Employee hired on or after November 1, 2011” and may not join Social Security pursuant to her/his service to the City.
- (2) Employees participating in the Social Security Plan may not participate in the mandatory portion of the Defined Contribution Retirement Plan, as described in Section 6-2 (d)(1) below. Such Employees may participate in the Voluntary Contribution portion of the Defined Contribution Retirement Plan as described in the remainder of Section 6-2 (d) below.

(d) Retirement Plan -Defined Contribution Component.

The Defined Contribution Retirement Plan shall be set forth in a plan document to be adopted and maintained by the DC Plan Management Committee as described in Section 6-2(d)(13) below. At a minimum, the DC Plan shall contain the terms described in this Section 6-2(d).

- (1) All Employees enrolled in the Pre-November 1, 2011 Defined Contribution Plan must participate in the new DC Plan as of November 1, 2011. A DC Plan Mandatory Participant must make a pre-tax contribution of 6% of Compensation into the Section 401(a) portion of her/his Retirement Account. In addition, each DB Plan Participant must make a pre-tax contribution of 2% of Compensation into the Section 401(a) portion of her/his Retirement Account. Such contributions will be picked-up by the City on a salary reduction basis pursuant to Section 414(h) of the Internal Revenue Code of 1986, as amended. The City will match the mandatory payment of the DC Plan Mandatory Participant by contributing 6% of Compensation into the Section 401(a) portion of the Employee’s Retirement Account. The City will match the mandatory 401(a) payment of the DB Plan Participant by contributing 2% of Compensation into the Section 401(a) portion of the Employee’s Retirement Account. The City’s contributions shall vest over a 5-year period at 20% per year, such that all contributions made by the City after the completion of the fifth year are 100% vested.
- (2) In addition to the mandatory payments made by an Employee into the Social Security Plan, DB Plan, and/or 401(a) portion of the DC Plan, each Employee has the option

of making Voluntary Contributions into the Section 457(b) portion of her/his Retirement Account. The Employee's Voluntary Contribution shall be the percentage of Compensation directed by the Employee, and may not exceed the maximum contribution permitted under the Internal Revenue Code. The City will match the Employee's Voluntary Contribution as follows:

(i) For DB Plan Participants:

The City will match the Employee's Voluntary Contribution, up to 6% of Compensation, at a rate of 100%. The City will not match the remainder of the Employee's Voluntary Contribution (7% of Compensation and above).

(ii) For DC Plan Mandatory Participants:

The City will match the Employee's Voluntary Contribution, up to 6% of Compensation, at a rate of 50%. The City will not match the remainder of the Employee's Voluntary Contribution (7% of Compensation and above).

(iii) For Social Security Plan Participants who are sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department, and for other Employees who have a pay grade of 18 or lower:

The City will match the Employee's Voluntary Contribution, up to 8% of Compensation, at a rate of 100%. The City will not match the remainder of the Employee's Voluntary Contribution (9% of Compensation and above).

(iv) For Social Security Plan Participants who are not sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department and have a pay grade of 19 or higher, including such Employees who are promoted to a pay grade of 19 or higher (for their Voluntary Contributions made after the new pay grade takes effect):

The City will match the Employee's Voluntary Contribution, up to 6% of Compensation, at a rate of 50%. The City will not match the remainder of the Employee's Voluntary Contribution (7% of Compensation and above).

- (3) The City's Voluntary Contribution match amounts listed immediately above are in addition to the City's Social Security Plan contributions, DB Plan contributions, and contributions matching an Employee's mandatory payments to the 401(a) portion of the DC Plan.
- (4) The City's match of the Employee's Voluntary Contributions shall be deposited into the Section 401(a) portion of the Employee's Retirement Account. These match contributions shall vest over a 5-year period at 20% per year, such that all contributions made by the City after the completion of the fifth year are 100% vested.
- (5) An Employee's Years of Service accumulated prior to November 1, 2011 shall be counted in the Years-of-Service calculations under the DC Plan for the sole purpose of determining vesting as described in Section 6-2 (d)(1) and (d)(4) above
- (6) The Employee's Voluntary Contributions shall be pre-tax dollars, unless indicated otherwise by the Employee in the manner prescribed by the City. Where an Employee

- chooses to utilize after-tax dollars for all or a portion of her/his Voluntary Contributions, said after-tax contributions shall be treated as Roth contributions to the extent allowed by Section 457(b) of the Internal Revenue Code of 1986 as amended.
- (7) An Employee may change the amount of her/his Voluntary Contribution and/or the percentage of Voluntary Contribution that is paid with after-tax dollars (if any) in the manner prescribed by the City. Such changes may be made at any time, provided that the Employee does not make changes more than one time per month.
 - (8) The Retirement Account of an Employee who was enrolled in the Pre-November 1, 2011 Defined Contribution Plan shall be retained as part of the Employee's Retirement Account under the new Retirement Plan.
 - (9) Each Employee shall direct how the funds in her/his Retirement Account shall be invested, selecting from a menu of investment options provided by the Plan Administrator. The Employee may select more than one investment option.
 - (10) An Employee may direct lump sum distributions from her/his Retirement Account upon separation from the City, death, disability (pursuant to the City's disability retirement provisions), or retirement, in accordance with the terms of the applicable City ordinances and other laws.
 - (11) Each Employee may designate one or more Retirement Account beneficiaries of her/his choice.
 - (12) The Plan Administrator shall be the Chief Financial Officer or her/his designee. The Plan Administrator shall oversee the daily administration of the Defined Contribution Retirement Plan. The Plan Administrator shall report to the Management Committee of the DC Plan, as defined in number 13 immediately below.
 - (13) The Management Committee of the Defined Contribution Retirement Plan shall be comprised of the Mayor or her/his designee, the Chairperson of the City Council Finance and Executive Committee, the City Attorney, the Chief Financial Officer, and the Commissioner of the Department of Human Resources. The Management Committee shall manage and operate the DC Plan. It shall make all final decisions that materially impact the management and operation of the DC Plan, except that such decisions will be approved by duly enacted legislation where required by the Atlanta Code of Ordinances. The Management Committee shall have all powers necessary to enable it to properly carry out the duties of a retirement plan manager, which include the following: (i) engaging the services of third party service providers, consistent with the City's procurement procedures. The service providers may provide recordkeeping services for the DC Plan, provide investment fund options, provide and present investment education and other communication materials to Employees; and provide disability insurance; (ii) preparing and construing the DC Plan documents and agreements, and providing answers to all questions related thereto; (iii) providing answers to all questions relating to eligibility and benefit entitlement under the DC Plan, except where otherwise provided in this Section 6-2; (iv) maintaining records relating to Employees; (v) preparing and furnishing to Employees all applicable information required under state and/or federal law; (vi) preparing and furnishing to the third-party service provider all necessary Employee and financial data; (vii) providing direction and oversight of the third-party service provider; (viii) preparing and filing with all other appropriate government entities all reports and other information required under law to be so filed and/or published; (ix) engaging

consultants, actuaries or other professional advisers as necessary to aid in the DC Plan administration; (x) arranging for fiduciary bonding if necessary; and (xi) providing procedures for benefit payments.”

SECTION 5: At the close of business on October 31, 2011, a soft freeze shall be implemented on the Benefit Formula for each DB Plan Participant. The calculation of the Benefit Formulas as of that date and after that date shall be set forth in Charter Section 6-2. The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(e) Retirement Plan -Defined Benefit Component:

- (1) All Employees as of November 1, 2011 who are DB Plan Participants shall remain in the DB Plan, the details of which are set forth below in this Section 6-2(e). In addition, each of these DB Plan Participants shall participate in the mandatory portion of the DC Plan by making a pre-tax contribution of 2% of Compensation into the Section 401(a) portion of her/his Retirement Account, and said amount shall be matched by the City at a rate of 2% of Compensation, as described in Section 6-2(d)(1) above. DB Plan Participants may also participate in the voluntary portion of the Defined Contribution Retirement Plan, described in the remainder of Section 6-2(d) above. DB Plan Participants may not join the Social Security Plan.
- (2) At the close of business on October 31, 2011, a soft freeze shall be implemented on the Benefit Formula for each DB Plan Participant. The calculation of DB Plan Pension Benefits shall be further modified beginning on November 1, 2011 in the manner set forth below in this Section 6-2(e)(7).
- (3) Upon retirement, DB Plan Participants shall receive the Pension Benefit accumulated prior to November 1, 2011, plus the Pension Benefit accumulated on and after November 1, 2011, plus the amount accumulated in the mandatory and voluntary portions of her/his DC Plan Retirement Account.
- (4) Except as set forth in Sections 6-2(e)(6) and (e)(7) below, the calculation of both Pre-Change Pension Benefits and Post-Change Pension Benefits shall be the same as the calculation applied by the City in 2011, prior to November 1. Specifically, calculation of the Pre-Change and Post-Change Pension Benefits shall be as follows (elements of the calculation not addressed in this Section 6-2 shall be implemented as set forth in the applicable DB Plan):
 - (i) The DB Plan Benefit Formula (“Benefit Formula”) is derived as follows:
 - (A) The pension multiplier set forth in the applicable DB Plan, ranging from 1%-3% (the “Multiplier”), is multiplied by the Employee’s years of service with the City (“Years of Service”) (the product shall be referred to as “Years of Service Multiplier”).
 - (B) The Years of Service Multiplier may not exceed 80% (the “Cap”), unless the Employee opted for a Benefit Formula that waives the Cap. If the Years of Service Multiplier exceeds 80%, the Years of Service Multiplier shall be reduced to 80% (“Adjusted Years of Service Multiplier”), except that if the

Employee opted to waive the Cap, the Years of Service Multiplier shall remain unchanged (also referred to as the “Adjusted Years of Service Multiplier”).

- (C) The Adjusted Years of Service Multiplier shall be multiplied by Annual Compensation. Annual Compensation is determined by calculating the highest Compensation received by an Employee over a consecutive 36 month period and dividing it by three (“Annual Compensation”).
- (D) The Benefit Formula is increased by applying the Employee’s unused annual leave and unused sick leave at the time of retirement. Annual leave is utilized to increase the value of Annual Compensation in the Benefit Formula. Sick leave is utilized to increase the value of Years of Service in the Benefit Formula and also to increase Annual Compensation under certain circumstances. The details of determining the value of the unused leave and how it impacts the Benefit Formula is set forth in the applicable DB Plan.
- (E) In the form of a numerical equation, the Benefit Formula for Employees whose Benefit Formula *has a Cap* is:

Benefit Formula= Annual Compensation x {lower of: 80% or [Multiplier x Years of Service]}

The Benefit Formula for Employees whose Benefit Formula *does not have a Cap* is:

Benefit Formula = Annual Compensation x Multiplier x Years of Service

- (ii)The actual benefit received by the Employee (“Actual Benefit”) shall be equivalent to the Benefit Formula, unless the Employee is not fully vested in the DB Plan, or unless the Employee withdraws her/his DB pension prior to reaching Retirement Age or Thirty Years of Service. Calculation of the Actual Benefit prior to vesting and/or prior to reaching Retirement Age or Thirty Years of Service shall be as follows:

- (A) If a DB Plan Participant is fully vested in the DB Plan and withdraws her/his DB pension prior to reaching Retirement Age or Thirty Years of Service, the Benefit Formula shall be reduced by the Age Penalty amount set forth in the applicable DB Plan.
- (B) If a DB Plan Participant has completed at least 5 Years of Service with the City but has not fully vested in the DB Plan, and leaves City employment prior to reaching Retirement Age or Thirty Years of Service, the Employee may elect not to withdraw her/his pension until Retirement Age or later. At the time that the DB Plan Participant files a completed application with the City to receive pension (assuming s/he has reached Retirement Age), s/he will receive a monthly pension benefit equivalent to the Benefit Formula multiplied by the Vesting Percentage. The Vesting Percentages are as follows:

- 1. Completion of 5 Years of Service- 25%;
- 2. Completion of 6 Years of Service- 30%;
- 3. Completion of 7 Years of Service- 35%;

4. Completion of 8 Years of Service- 40%;
5. Completion of 9 Years of Service – 45%.
6. For DB Participants who require 10 Years of Service to fully vest, the Vesting Percentage will be 100% after the completion of 10 Years of Service.
7. For DB Participants who require 15 Years of Service to fully vest, Completion of 10 Years of Service – 50%.
8. Completion of 11 Years of Service – 55%.
9. Completion of 12 Years of Service – 60%.
10. Completion of 13 Years of Service – 65%.
11. Completion of 14 Years of Service – 70%.
12. Completion of 15 Years of Service – 75%.
13. For DB Participants who require 15 Years of Service to fully vest, the Vesting Percentage will be 100% after the completion of 15 Years of Service.

(C) If a DB Plan Participant is not fully vested in the DB Plan and leaves City employment prior to completion of 5 Years of Service, the Employee shall receive a cash-out value for her/his pension contributions equivalent to the amount s/he contributed into the DB Plan plus 5% per annum for the number of years in which s/he contributed to the DB Plan.

(D) In the form of a numerical equation, the Actual Benefit for DB Participants who are vested and retire prior to reaching Retirement Age or Thirty Years of Service is:

Actual Benefit = Benefit Formula – Age Penalty

The Actual Benefit for DB Participants who have 5 or more years of service and draw their pension at Retirement Age or later is:

Actual Benefit = Benefit Formula x Vesting Percentage

(5) The value of the Pre-Change Pension Benefit for a DB Plan Participant who retires between July 1, 2011 and October 31, 2011 shall be as set forth in Section 6-2(e)(4) above.

(6) The value of the Pre-Change Pension Benefit for a DB Plan Participant who retires after October 31, 2011 shall be as set forth in Section 6-2(e)(4) above, except for the following modifications:

- (i) The value of the Years of Service factor in the DB Plan Participant's Pre-Change Benefit Formula shall be equal to the Years of Service accrued as of the close of business on October 31, 2011. The DB Plan Participant will have a one-time opportunity to utilize her/his unused sick leave as of October 31, 2011 to increase the Years of Service value in the Pre-Change Benefit Formula, provided that s/he retains no fewer than 80 hours of unused sick leave for future use. The increase shall be calculated as described in the applicable DB Plan, except that retirement shall not be required to apply the sick leave in this manner. The DB Plan Participant must designate the number of sick leave hours s/he wishes to apply to the Pre-Change Benefit Formula prior to November 1, 2011, at the time and in the

manner prescribed by the City. Any sick leave hours used by the DB Plan Participant to enhance her/his Years of Service value may not be used in the future for sick leave or any other purpose.

- (ii) The value of Annual Compensation in the Employee's Pre-Change Benefit Formula shall continue to be calculated based upon the highest Compensation received by an Employee over a consecutive 36 month period, regardless of whether all or a portion of the consecutive 36 months occurs on or after November 1, 2011. The Annual Compensation amount may be increased by adding the value of unused annual leave as described in the applicable DB Plan. It may not be increased by applying the value of unused sick leave.
 - (iii) Where a DB Plan Participant previously agreed to an alternative Benefit Formula that utilizes a decreased Multiplier in exchange for elimination of the 80% Cap, the City will determine the value of the Employee's Pre-Change Benefit Formula at the time of her/his retirement by using the standard calculation and by using the alternative calculation. The City will apply the higher calculation when determining the Pre-Change Pension Benefit.
 - (iv) Where a DB Plan Participant has not vested in the DB Plan as of October 31, 2011, s/he may apply her/his Years of Service with the City after October 31, 2011 for the sole purpose of increasing the Vesting Percentage in the calculation of her/his Pre-Change Pension Benefit, up to 100% where applicable. The additional time with the City may not be used to increase the Years of Service amount in the Pre-Change Benefit Formula.
- (7) The value of the Post-Change Pension Benefit of a DB Plan Participant shall be as set forth in Section 6-2(e)(4) above, except for the following modifications:
- (i) The value of Years of Service in the DB Plan Participant's Post-Change Benefit Formula shall be the Years of Service between November 1, 2011 and the date of retirement.
 - (ii) The value of Annual Compensation in the DB Plan Participant's Post-Change Benefit Formula shall be calculated based upon the highest Compensation received by an Employee over a consecutive 36 month period, regardless of whether all or a portion of the consecutive 36 months occurs prior to November 1, 2011. The Compensation amount may be increased by adding the value of unused annual leave as described in the applicable DB Plan.
 - (iii) The Multiplier in the DB Plan Participant's Post-Change Benefit Formula shall be 1%.
 - (iv) Any unused sick leave as of November 1, 2011, and any unused sick leave accumulated after November 1, 2011 may not be utilized to change any aspect of a DB Plan Participant's Post-Change Pension Benefits, including without limitation her/his Post-Change Benefit Formula.
 - (v) The Cost of Living Adjustment for Post-Change Pension Benefits shall be a maximum amount of 1%."

SECTION 6: The New Retirement Plan shall offer a Long Term Disability Benefit to Eligible Employees who become totally and permanently disabled on or after November 1, 2011. All other Employees shall receive Long Term Disability Insurance coverage through their

participation in the Retirement Plan. To that effect, the following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(f) Long Term Disability Benefit

- (1) A Long Term Disability Benefit or Disability Benefit is established pursuant to this Section 6-2, and is different from the Disability Pension established in and provided pursuant to the DB Plans. Eligible Employees whose Date of Disability is on or after November 1, 2011 shall be eligible for a Disability Benefit pursuant to the terms set forth in this Section 6-2(f).
- (2) The following provisions shall apply to the calculation of the Disability Benefit for every Eligible Employee:
 - (i) The City will provide a Long Term Disability Benefit to an Eligible Employee who is determined to be Totally and Permanently Disabled by the Disability and Survivor Benefits Committee. The DSB Committee shall make its determination by utilizing a preponderance of the evidence standard, and shall base its decision on official medical records, other documentary evidence, qualified medical expert opinions, sworn testimony, and/or other reliable sources accepted by the DSB Committee. The DSB Committee shall provide its determination in writing, with a detailed explanation of the supporting evidence. The City or the Eligible Employee may appeal the DSB Committee’s determination pursuant to applicable law and the process established by the DSB Committee.
 - (ii) The Long Term Disability Benefit provided to an Eligible Employee shall begin after the Employee has utilized all of her/his accumulated sick leave.
 - (iii) The Long Term Disability Benefit shall continue until the earlier of the end of the Eligible Employee’s Total and Permanent Disability, the Eligible Employee’s attainment of Retirement Age or Thirty Years of Service, or death of the Eligible Employee.
 - (iv) During the time that an Eligible Employee is receiving a Disability Benefit, the Employee’s and the City’s mandatory contributions to the Employee’s Retirement Plan, including Social Security contributions, shall cease. The Employee may make Voluntary Contributions to the 457(b) portion of her/his Retirement Account. The City will not match any portion of the Voluntary Contributions while the Employee is receiving a Disability Benefit.
 - (v) The monthly amount of a DB Participant’s Long Term Disability Benefit shall be reduced by the monthly amount of her/his Disability Pension, where such Disability Pension is calculated under the applicable DB Pension Plan as amended by this Section 6-2.
 - (vi) In the event that the Eligible Employee receiving a Long Term Disability Benefit also receives a Workers’ Compensation award for the same illness or injury for which the City is paying a Disability Benefit, the monthly amount of the Disability Benefit shall be reduced such that the sum of the monthly Disability Benefit amount, plus the monthly Disability Pension amount if any, plus the monthly value of the Workers’ Compensation award, does not exceed 75% of the

Eligible Employee's Monthly Compensation. This Section 6-2(f)(2)(vi) shall not apply to Eligible Employees who suffered a Catastrophic Injury in the Line of Duty, as defined in Section 6-2(f)(3)(iii) below. In addition, this Section 6-2(f)(2)(vi) shall not prevent the restoration of some or all of the Employee's Disability Benefit upon reduction or termination of any such Workers' Compensation payments.

(vii) Upon the Eligible Employee's attainment of Retirement Age or Thirty Years of Service, the Long Term Disability Benefit shall cease. Where the Eligible Employee is a DB Plan Participant, s/he may collect her/his retirement Pension Benefit and any funds in her/his Retirement Account in the manner set forth in this Section 6-2. Where the Eligible Employee is not a DB Plan Participant, the City shall deposit a lump sum amount into the Section 401(a) portion of the Employee's Retirement Account that shall be equal to twelve percent (12%) of the Eligible Employee's Compensation at the Date of Disability, multiplied by the number of years (including fractions thereof) that the Eligible Employee received a Long Term Disability Benefit. This deposit shall be made regardless of whether the Eligible Employee is a member of the Social Security Plan. The provisions set forth in this Section 6-2 regarding utilization of the Retirement Account shall then be applied.

(vii) Upon the death of an Eligible Employee who is receiving a Long Term Disability Benefit, the monthly Long Term Disability Benefit shall cease and any future benefits shall be determined as set forth in Section 6-2 (g) below, entitled Survivor Benefits.

(3) Disability Benefits shall be calculated based upon the type of disability, utilizing the applicable formula set forth below, and applying the provisions set forth in Section 6-2(f)(2) above. A monthly long term disability benefit for Eligible Employees shall be calculated as follows:

(i) Disability in the Line of Duty:

(A) Disability in the Line of Duty means that an Eligible Employee is Totally and Permanently Disabled due to an injury that occurred while in the line of duty or due to an illness contracted solely as a result of activities performed while in the line of duty.

(B) A DB Plan Participant who was hired before 1986 will receive a monthly Long Term Disability Benefit amount that is equal to 70% of her/his Monthly Compensation. This amount shall be adjusted as set forth in Section 6-2(f)(2)(iv) and (v) above.

(C) Eligible Employees who were hired on or after January 1, 1986 will receive a monthly Long Term Disability Benefit equal to the greater of: a) 50% of the Eligible Employee's Monthly Compensation as adjusted pursuant to Section 6-2(f)(2)(iv) and (v) above; or b) the value of the following as adjusted pursuant to Section 6-2(f)(2)(iv) and (v) above:

1. For sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department hired on or after January 1, 1986 and before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
2. For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
3. For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.

ii. Disability Not in the Line of Duty:

- (A) Disability Not in the Line of Duty means that an Eligible Employee is Totally and Permanently Disabled due to an injury that did not occur while in the line of duty or due to an illness that was not contracted solely as a result of activities performed while in the line of duty.
- (B) A DB Plan Participant who was hired before 1986 will receive a monthly Long Term Disability Benefit that is equal to:

1. For all sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%. This amount shall be adjusted as set forth in Section 6-2(f)(2)(iv) above.
2. For all non-sworn Eligible Employees: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%. This amount shall be adjusted as set forth in Section 6-2(f)(2)(iv) above.

- (C) Eligible Employees who were hired on or after January 1, 1986 and with at least 5 Years of Service will receive a monthly Long Term Disability Benefit equal to the greater of: a) 50% of the Eligible Employee's Monthly Compensation, as adjusted pursuant to Section 6-2(f)(2)(iv) above; or b) the value of the following as adjusted pursuant to Section 6-2(f)(2)(iv) above:

1. For sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department hired after January 1, 1986 and before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
2. For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of

Disability, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.

3. For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.

iii. Catastrophic Injury in the Line of Duty:

(A) For purposes of this Section 6-2 (f), "Catastrophic Injury" shall mean a sudden, violent, life-threatening injury sustained on or after November 1, 2011 by an Eligible Employee in the line of duty, that causes the Employee to be Totally and Permanently Disabled, and which injury is due to an externally-caused event or events. Catastrophic Injury shall be determined by the DSB Committee based upon the procedure set forth in Section 6-2 (f)(2)(i) above. Examples of Catastrophic Injury shall include without limitation the following:

1. Loss of sight in one or both eyes;
2. Loss of one or both feet at or above the ankle;
3. Loss of one or both hands at or above the wrist;
4. An injury to the spine that results in permanent and complete paralysis of both arms, both legs, or one arm and one leg;
5. An externally caused traumatic physical injury to the brain or skull that renders one physically or mentally unable to perform two or more Activities of Daily Living (feeding oneself, dressing, continence, bathing, toileting and transferring, i.e. getting in and out of bed), driving a motor vehicle, or similar activities; and/or
6. A permanent severely disabling injury or disorder that compromises the ability to carry out the activities of daily living to such a degree that the individual requires personal or mechanical assistance to leave home or bed or requires constant supervision to avoid physical harm to self or others.

(B) Any Eligible Employee who receives a Catastrophic Injury in the Line of Duty will receive a fixed monthly Long Term Disability Benefit equal to 100% of the top salary for the payroll grade and position that s/he occupied at the Date of Disability.

- (4) Where an Eligible Employee believes that she has suffered a Total and Permanent Disability, s/he shall notify the DSB Committee as soon as practicable based upon the Eligible Employee's condition after the injury or illness is incurred. In addition, where a City Commissioner has any employee in her/his Department that claims to be Totally and Permanently Disabled, the Commissioner shall immediately notify the Commissioner of the Department of Human Resources, who shall immediately notify the DSB Committee. The DSB Committee shall determine if the Employee is an

Eligible Employee, and if so, shall conduct an investigation and make a written determination regarding whether the Eligible Employee is Totally and Permanently Disabled, whether the Disability arose in the line of duty, and whether the Eligible Employee suffered a Catastrophic Injury in the Line of Duty. The written determination shall be issued within 90 days of the date on which the DSB Committee was informed of the disability claim.

- (5) Where the DSB Committee determines that an Eligible Employee is Totally and Permanently Disabled, and the Eligible Employee receives a Disability Benefit, the DSB Committee shall have the right to conduct an annual review of the Eligible Employee's condition. A review may occur more often than one time per year if the DSB Committee reasonably believes that the Eligible Employee is no longer Totally and Permanently Disabled. The DSB Committee shall conduct its review and make its determination using the procedure set forth in Section 6-2 (f)(2)(i) above. As part of this review, the DSB Committee shall have the right to require the Eligible Employee to submit to a medical examination. The purpose of the examination shall be to determine whether the Eligible Employee has recovered sufficiently such that s/he is able to return to a job or work position for which he/she is or becomes reasonably qualified by education, training or experience. If the DSB Committee determines that the Eligible Employee is no longer Totally and Permanently Disabled, the payment of the Long Term Disability Benefit shall be discontinued. The City or the Eligible Employee may appeal the DSB Committee's determination(s) pursuant to applicable law and the process established by the DSB Committee.
- (6) All Employees who are not "Eligible Employees" shall receive Long Term Disability Insurance coverage through their participation in the Retirement Plan."

SECTION 7: The New Retirement Plan shall offer a Survivor Benefit to Eligible Employees. Accordingly, the following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

"(g) Survivor Benefit

- (1) A Survivor Benefit is established pursuant to this Section 6-2. The Survivor Benefit is paid to the designated beneficiary of an Eligible Employee if the Employee dies prior to retiring from the City, and the death occurs on or after November 1, 2011. The terms of calculating and providing the Survivor Benefit are set forth below in this Section 6-2(g). The Survivor Benefit is different from the survivor pension benefit established in and provided pursuant to the DB Plans.
- (2) The City of Atlanta will provide a Survivor Benefit that shall be paid monthly to the designated beneficiary or beneficiaries of an Eligible Employee at the time of her/his death, as calculated below in this Section 6-2(g).
- (3) Each Eligible Employee must designate a primary beneficiary and, if desired, a secondary beneficiary for the purpose of receiving a Survivor Benefit.
 - (i) The primary beneficiary and secondary beneficiary (if any) must be a "Qualified Beneficiary", thereby meeting one of the following descriptions:

- (A) The spouse or domestic partner (as defined in the Atlanta Code of Ordinances) of the Eligible Employee; and/or
 - (B) The child or children (natural or legally adopted) of the Eligible Employee who is/are unmarried, and is either younger than 18 years of age, or younger than 23 years of age and enrolled as a full-time student at an accredited secondary school, college or university.
 - (ii) The Eligible Employee may not designate the same Qualified Beneficiary as a primary and a secondary beneficiary.
 - (iii) The Eligible Employee may change her/his primary and or secondary beneficiary to another Qualified Beneficiary/Beneficiaries in the manner prescribed by the City. Such changes may be made at any time, provided that the Employee does not make changes more than one time per month.
 - (iv) If the primary beneficiary should no longer meet the definition of "Qualified Beneficiary" at the time of the Eligible Employee's death, the entire Survivor Benefit shall be provided to the secondary beneficiary (if any) provided that s/he is a Qualified Beneficiary.
- (4) Upon the death of an Eligible Employee, her/his primary and/or secondary Beneficiary may apply to the Disability and Survivor Benefits Committee for a Survivor Benefit equal to 75% of the application of the following formula:
- (i) For sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the date of death, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
 - (ii) For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the date of death, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
 - (iii) For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the date of death, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (e)(4)(ii)(B) above.
 - (iv) For the calculations above, where an Eligible Employee received a Disability Benefit during any portion of her/his Years of Service, the "Years of Service at the date of death" calculation shall include the years or parts thereof in which s/he received a Disability Benefit.
- (5) The total monthly value of the Survivor Benefit shall be reduced by the monthly amount of the Eligible Employee's survivor pension benefit as calculated under the applicable DB Pension Plan as amended by this Section 6-2, such that the total monthly payment of the Survivor Benefit plus the survivor pension benefit shall not exceed 100% of the monthly value of the Survivor Benefit as calculated herein.
- (6) Where an Eligible Employee dies as a result of injuries incurred in the line of duty, her/his primary Qualified Beneficiary may receive a monthly payment for two years

following the date of the Employee's death, and such payment shall be equal to the Compensation to which such Eligible Employee would have been entitled had s/he remained in active service. At the expiration of the two-year period referred to herein, the Survivor Benefit due the primary beneficiary shall be computed in accordance with the formula described in Section 6-2 (g)(4) above, except that the Eligible Employee's vesting percentage shall be calculated as 100%. The Survivor Benefit for a primary Qualified Beneficiary shall be paid to the secondary Qualified Beneficiary or Beneficiaries upon the death or ineligibility of the primary Qualified Beneficiary.

- (7) The Commissioner of the Department of Human Resources shall immediately notify the Disability Survivor Benefit Committee upon the death of any employee in her/his Department. The DSB Committee shall determine if the Employee is an Eligible Employee, and if so, shall conduct an investigation and make a written determination regarding whether the Eligible Employee's death was incurred in line of duty. It shall also determine whether the primary and secondary beneficiaries are Qualified Beneficiaries. The written determination shall be issued within 90 days of the date on which the DSB Committee was informed of the death. The DSB Committee shall conduct its review and make its determination using the procedure set forth in Section 6-2 (f)(2)(i) above. The City, the primary beneficiary and/or the secondary beneficiary may appeal the DSB Committee's determination pursuant to applicable law and the process established by the DSB Committee."

SECTION 8: The City of Atlanta Charter is hereby amended to implement a hard freeze on the Fire Fighters' Pension Fund that will take effect on October 31, 2011. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article IV (Firefighters), Sections 6-366 through 6-420, shall be amended by adding a new Section 6-400 that shall read as follows:

"Sec. 6-400. Application of Soft Freeze on October 31, 2011.

There has been raised and established funds for the aid, relief and pension of members of the Atlanta Fire Department who were in active service on or after the date of the passage of this act, and who were hired between the time of the passage of this act and October 31, 2011 ("Firefighters' Pension Fund"). Members of the Firefighters' Pension Fund hired on or after January 1, 1984 who are active service employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City Charter. All retirement benefits earned as of October 31, 2011 will remain unchanged, and all rules regarding said benefits, including without limitation distribution of said benefits, will be subject to the provisions set forth in this Article IV, Sections 6-366 through 6-420, except as modified by Section 6-2 of the City of Atlanta Charter. No one may join the Firefighters' Pension Fund after October 31, 2011, and the retirement benefits of employees hired after October 31, 2011 shall be determined as set forth in Section 6-2 of the City of Atlanta Charter. The retirement plan and benefits of the following members of the Firefighters' Pension Fund shall remain unchanged: 1) members who were

active service City Employees on November 1, 2011 who were hired before January 1, 1984; and 2) members who retired before November 1, 2011.”

SECTION 9: The City of Atlanta Charter is hereby amended to implement a hard freeze on the Police Department Pension Fund that will take effect on October 31, 2011. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article III (Police Department), Sections 6-221 through 6-280, shall be amended by adding a new Section 6-258 that shall read as follows:

“Sec. 6- 258. Application of Soft Freeze on October 31, 2011.

There has been raised and established funds for the relief and pensioning of members of the Atlanta Police Department who were in active service on or after the date of the passage of this act, and who were hired between the time of the passage of this act and October 31, 2011 (“Police Officers’ Pension Fund”). Members of the Police Officers’ Pension Fund hired on or after January 1, 1984 who are active service employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City Charter. All retirement benefits earned as of October 31, 2011 will remain unchanged, and all rules regarding said benefits, including without limitation distribution of said benefits, will be subject to the provisions set forth in this Article III, Sections 6-221 through 6-280, except as modified by Section 6-2 of the City of Atlanta Charter. No one may join the Police Officers’ Pension Fund after October 31, 2011, and the retirement benefits of employees hired after October 31, 2011 shall be determined as set forth in Section 6-2 of the City of Atlanta Charter. The retirement plan and benefits of the following members of the Police Officers’ Pension Fund shall remain unchanged: 1) members who were active service City employees on November 1, 2011 who were hired before January 1, 1984; and 2) members who retired before November 1, 2011.”

SECTION 10: The City of Atlanta Charter is hereby amended to implement a hard freeze on the Nonuniformed Officers and Employees Pension Fund that will take effect on October 31, 2011. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article II (Nonuniformed Officers and Employees), Sections 6-36 through 6-140, shall be amended by adding a new Section 6-104 that shall read as follows:

“Sec. 6-104. Application of Soft Freeze on October 31, 2011.

There has been raised and established funds for the relief and pensioning of members of nonuniformed officers and employees of the City of Atlanta who were in active service on or after the date of the passage of this act, and who were hired between the time of the passage of this act and October 31, 2011 (“General Employees’ Pension Fund”). Members of the General Employees’ Pension Fund hired on or after January 1, 1984 who are active service employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City Charter. All retirement

benefits earned as of October 31, 2011 will remain unchanged, and all rules regarding said benefits, including without limitation distribution of said benefits, will be subject to the provisions set forth in this Article III, Article III, Sections 6-36 through 6-140, except as modified by Section 6-2 of the City Charter. No one may join the General Employees' Pension Fund after October 31, 2011, and the retirement benefits of employees hired after October 31, 2011 shall be determined as set forth in Section 6-2 of the City of Atlanta Charter. The retirement plan and benefits of the following members of the General Employees' Pension Fund shall remain unchanged: 1) members who were active service City employees on November 1, 2011 who were hired before January 1, 1984; and 2) members who retired before November 1, 2011."

SECTION 11: This Ordinance shall take effect at the time of its adoption.

SECTION 12: All ordinances and parts of ordinances in conflict herewith are hereby waived for purposes of this ordinance only, and only to the extent of the conflict.

AN ORDINANCE

11-O-0672

BY COUNCILMEMBERS AARON WATSON, H. LAMAR WILLIS
AND KEISHA LANCE BOTTOMS

AS SUBSTITUTED ~~#~~ 1

BY: FINANCE/EXECUTIVE COMMITTEE

AN ORDINANCE TO AMEND THE RETIREMENT BENEFITS OFFERED BY THE CITY OF ATLANTA TO ITS ELIGIBLE ACTIVE EMPLOYEES BY: CREATING A NEW SECTION 6-2 TO THE CITY OF ATLANTA CHARTER, SO AS TO PROVIDE A UNIFORM RETIREMENT PROGRAM FOR ALL ELIGIBLE CITY EMPLOYEES FOR WORK PERFORMED ON AND AFTER NOVEMBER 1, 2011; AND PLACING A HARD FREEZE ON THE GENERAL EMPLOYEES' PENSION FUND, FIREFIGHTERS' PENSION FUND AND POLICE OFFICERS' PENSION FUND, SO THAT PENSION BENEFITS OF RETIREES REMAIN UNCHANGED AND BENEFITS ACCUMULATED BY ACTIVE EMPLOYEES AS OF OCTOBER 31, 2011 REMAIN UNCHANGED; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") provides its retirees and active employees with retirement benefits through a General Employees' Pension Fund, a Police Officers' Pension Fund, a Firefighters' Pension Fund, and a Defined Contribution Plan; and

WHEREAS, the unfunded liability of the three Pension Plans has dramatically increased since 2005; and

WHEREAS, the City's annual required contribution to the three Pension Plans has become a steadily increasing percentage of its annual budget; and

WHEREAS, continued increases to the annual required contribution to the Pension Plans threaten the fiscal stability of the City; and

WHEREAS, the City wishes to reduce its annual pension cost as a percentage of its budget, reduce and pay off its unfunded pension liability, competitively align its retirement options with other local jurisdictions, and provide a long-term and sustainable solution for supporting employee retirement plans; and

WHEREAS, City Charter Section 3-507 allows the City to modify its pension laws "only by ordinance adopted by at least two-thirds of the total membership of the council and duly approved by the mayor"; and

WHEREAS, it is the desire of the City of Atlanta to amend Atlanta City Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions) as set forth herein below.

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA AS FOLLOWS:

SECTION 1. A retirement plan ("Retirement Plan") is hereby established for all City of Atlanta: 1) permanent, full-time, active employees hired on or after January 1, 1984; 2) permanent, full-time, active employees hired prior to January 1, 1984 who opt into the Retirement Plan; and 3) elected officials in office on or after November 1, 2011 (hereinafter collectively "Employees" or in the singular, "Employee"). The Retirement Plan shall be in effect for all work performed by the Employee on or after November 1, 2011. All Employees who are enrolled on October 31, 2011 in the City's Firefighters' Pension Plan (pursuant to City Charter Sections 6-366 through 6-420), Police Officers' Pension Plan (pursuant to City Charter Sections 6-221 through 6-280), or General Employees' Pension Plan (pursuant to City Charter Sections 6-36 through 6-140), (collectively the "DB Plans"), or who are enrolled in the City's pre-November 1, 2011 defined contribution plan (pursuant to City Ordinance number 01-O-0064), shall become members of the new Retirement Plan on November 1, 2011, the details of which are set forth in Sections 3 and 4 of this Ordinance 11-O-0672. A hard freeze shall be placed on the DB Plans with respect to all Employees, effective October 31, 2011, as set forth below. The retirement system currently in effect for retirees whose date of retirement was prior to the date that the new Retirement Plan takes effect, and for permanent, full-time, active City employees hired prior to January 1, 1984 who opt out of the new Retirement Plan, shall remain unchanged. Any retiree, former employee or former elected official of the City who is rehired as an Employee on or after November 1, 2011 shall be a member of the new Retirement Plan with respect to service performed after such rehire.

SECTION 2. The Retirement Plan shall be structured as either a Defined Contribution Plan ("Retirement Plan 1"), or as a combination of a Defined Contribution Plan with Federal Social Security Program benefits ("Retirement Plan 2"), as described below in Section 4 and Section 5 respectively. In order to implement the Retirement Plan, the following authorizations are hereby granted:

- (a) The Mayor or his designee, on behalf of the City, is hereby authorized to establish a Defined Contribution Plan which shall consist of the following: a plan which qualifies as a governmental plan under the provisions of Section 401(a) of the Internal Revenue Code of 1986 as amended; and a plan that meets the requirements of Section 457(b) of the Internal Revenue Code of 1986 as amended as applicable to governmental entities. This grant of authorization shall include authorization to take all steps necessary and execute all documents required to establish Section 401(a) and Section 457(b) plans that are part of the Retirement Plan. Said Defined Contribution Plan shall take effect on November 1, 2011. The details of such plan, including eligibility, vesting, contributions and benefits, shall be as set forth in Section 4 or Section 5 of this Ordinance 11-O-0672, whichever is applicable.

- (b) On behalf of the City, a Defined Contribution Plan Management Committee, composed of the Chief Financial Officer, the Chairperson of the Finance and Executive Committee, the City Attorney or her/his designee, and the Mayor or her/his designee, is authorized to adopt and maintain a written Defined Contribution Plan Document that sets forth the details of the City's Defined Contribution Plan, and said details shall include without limitation the Defined Contribution Plan terms set forth in Section 4 or Section 5 below. The Plan Document shall be amended from time to time to comply with the applicable Internal Revenue Code provisions. Any change to the eligibility, benefits, and/or vesting provisions shall require legislative approval pursuant to City Charter Section 3-507.
- (c) In the event that Retirement Plan 2 is authorized through this Ordinance or other duly enacted legislation, the Mayor or his designee, on behalf of the City, is hereby authorized to take all steps necessary and execute all documents required for the City to join the retirement program provided by the Employee's Retirement System of Georgia, and to join in the Section 218 Agreement administered by the Georgia Social Security Administrator, thereby enabling Employees to participate in the Federal Social Security Program ("Social Security"). These steps shall include, without limitation, the following:
 - (1) All Employees (which, for purposes of this paragraph (2)(a) only, shall additionally include all permanent, full-time, active employees hired before January 1, 1984) who will be permanent, full-time, active employee on November 1, 2011 shall be given a choice about whether to obtain Social Security coverage beginning as of November 1, 2011. The Mayor or his designee shall convene a referendum in which each such Employee shall indicate whether s/he will "opt in" or "opt out" of Social Security. The referendum shall be held by no later than October 15, 2011. Employees required to participate in the referendum, as described in this Subparagraph, who do not vote in the referendum will be deemed as choosing to opt in to Social Security. Once an Employee chooses to opt in or opt out of Social Security, s/he may not revoke that decision during the remainder of her/his tenure with the City.
 - (2) The Mayor or his designee is authorized to take all steps necessary and execute all documents required to convene the Social Security referendum.

SECTION 3: The City shall implement the new Retirement Plan by amending the City of Atlanta Charter to add a new Charter Section 6-2. Accordingly, the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions) is hereby amended by adding a new Section 6-2. The definitions for Section 6-2 shall be set forth in Section (a) which shall read as follows:

"Sec. 6-2. Retirement Benefits.

- (a) The following words, terms and phrases, when used in this Section 6-2, shall have the meanings ascribed to them in this Subsection (a), except where the context clearly indicates a different meaning:

- (1) *Actual Benefit* means the annual amount of retirement pension received by a DB Participant.
- (2) *Benefit Formula* means the base calculation utilized to determine the amount of pension received by each DB Participant. Adjustments are made to this calculation to determine the Actual Benefit.
- (3) *Compensation* means an Employee's annual salary from the City of Atlanta. This includes: base wages of the Employee (including lump-sum payments thereof); amounts contributed or deferred by the Employee and not includable in gross income under sections 125, 132(f) or 457 of the U.S. Internal Revenue Code; amounts contributed by the Employee to a governmental qualified retirement plan and treated as employer contributions under Section 414(h) of the U.S. Internal Revenue Code; and amounts credited to the Employee for furlough hours. Compensation shall not include: disability insurance payments; travel, mileage or automobile-related allowances or reimbursements; bonuses (other than sick-leave bonuses); performance awards; overtime or premium payments; or any other special, unusual or nonrecurring payment.
- (4) *Date of Disability* means the date upon which the Eligible Employee became totally and permanently disabled, as determined in writing by the Disability and Survivor Benefits Committee. In the case of Catastrophic Injury in the Line of Duty, the Date of Disability means the date upon which the Eligible Employee suffered the Catastrophic Injury, as determined in writing by the Disability and Survivor Benefits Committee.
- (5) *DB Plan* means the City's Firefighters' Pension Plan (set forth in City Charter Sections 6-366 through 6-420), the Police Officers' Pension Plan (set forth in City Charter Sections 6-221 through 6-280), and/or the General Employees' Pension Plan (set forth in City Charter Sections 6-36 through 6-140).
- (6) *DB Plan Participant* means an Employee (as defined in this Section 6-2(a)) who was enrolled on October 31, 2011 in a DB Plan.
- (7) *Disability and Survivor Benefits Committee* or the *DSB Committee* means a group of no fewer than 7 people and no greater than 9 people, where members are appointed by the Mayor or her/his designee, and which includes at least one licensed physician, at least one licensed psychiatrist, the Chief Financial Officer, the Commissioner of the Department of Human Resources, one member of the General Employees' Pension Fund Board of Trustees for so long as such Board shall exist, and one member of either the Police Officers' Pension Fund Board of Trustees or the Firefighters' Pension Fund Board of Trustees for so long as such Board(s) shall exist.
- (8) *Disability Benefit*- see Long Term Disability Benefit.
- (9) *Disability Pension* means the benefit provided to a DB Participant pursuant to the applicable DB Pension Plan, based upon the eligibility criteria set forth in said Plan. A Disability Pension, which is established by the DB Pension Plans, is different from a Disability Benefit/Long Term Disability Benefit which is established by this Section 6.2.
- (10) *Compensation* means an Employee's annual salary from the City of Atlanta. This includes: base wages of the Employee (including lump-sum payments thereof); amounts contributed or deferred by the Employee and not includable in gross income under Sections 125, 132(f) or 457 of the U.S. Internal Revenue Code; amounts

contributed by the Employee to a governmental qualified retirement plan and treated as employer contributions under Section 414(h) of the U.S. Internal Revenue Code; and amounts credited to the Employee for furlough hours. Compensation shall not include: disability insurance payments; travel, mileage or automobile-related allowances or reimbursements; bonuses (other than sick-leave bonuses); performance awards; overtime or premium payments; or any other special, unusual or nonrecurring payment.

- (11) *DC Plan* or *Defined Contribution Retirement Plan* means the Defined Contribution Retirement Plan established by this Section 6-2 that: 1) includes a plan established under Section 401(a) of the Internal Revenue Code of 1986, as amended; 2) includes the ability of Employees to make voluntary contributions to an account meeting the definition of Section 457(b) of the Internal Revenue Code of 1986 as amended; and 3) takes effect on November 1, 2011.
- (12) *Eligible Employees* (or in the singular *Eligible Employee*) means all Employees who may receive a Long Term Disability Benefit from the City if they meet the criteria for receipt of the benefit. Eligible Employees are all DB Plan Participants, all Employees hired after November 1, 2011 who are sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department, and all other Employees who were hired at a salary pay grade of less than 19.
- (13) *Employees* (or in the singular *Employee*) means City of Atlanta: 1) permanent, full-time, active employees hired on or after January 1, 1984; 2) permanent, full-time, active employees hired before January 1, 1984 who opt into the Retirement Plan; and 3) elected officials in office on or after November 1, 2011.
- (14) *Long Term Disability Benefit* or *Disability Benefit* means the amount paid to an Eligible Employee pursuant to this Section 6.2, where the Eligible Employee is determined to be Totally and Permanently Disabled by the Disability and Survivor Benefits Committee. A Disability Benefit may be provided for Disability in the Line of Duty, Catastrophic Injury in the Line of Duty, and Disability Not in the Line of Duty. A Disability Benefit, established by this Section 6.2, is different from a Disability Pension which is established by the DB Pension Plans.
- (15) *Monthly Compensation* means the amount utilized to calculate the Disability Benefit of an Eligible Employee, and is equal to the highest 36 consecutive months of Compensation received by the Eligible Employee prior to the Date of Disability, divided by thirty-six.
- (16) *Multiplier* means the percentage utilized to determine each DB Participant's Pension Benefit Formula, and is established by the terms of the DB Pension Plan in which the DB Participant is enrolled.
- (17) *Opt In* means a decision made by an Employee to participate in Social Security, where said decision is communicated as part of a City referendum in the manner prescribed by the City. Employees who do not participate in the referendum will be deemed as Opting In to Social Security.
- (18) *Opt Out* means a decision made by an Employee not to participate in Social Security, where said decision is communicated as part of a City referendum in the manner prescribed by the City.

- (19) *Pre-November 1, 2011 Defined Contribution Plan* means the City's defined contribution plan created pursuant to ordinance number 01-O-0064 that was in effect through and including October 31, 2011.
- (20) *Retirement Account* means the combination of all accounts owned by each Employee that contains her/his monetary benefits from the Defined Contribution Retirement Plan, including the Section 401(a) and Section 457(b) accounts, and the benefits from her/his Pre-November 1, 2011 Defined Contribution Plan if applicable.
- (21) *Retirement Age* means a DB Plan Participant in the Firefighters' Pension Plan or Police Officers' Pension Plan who is 55 years of age or older, or a DB Plan Participant in the General Employees' Pension Plan who is 60 years of age or older.
- (22) *Retirement Plan* means the entire package of retirement benefits offered by the City to its Employees as of November 1, 2011, as set forth in this Section 6-2, including the DC Plan.
- (23) *Social Security* means the Federal Social Security Program, set forth in 42 U.S.C. 301 *et seq.*
- (24) *Social Security Contribution* shall be the percentage of Compensation contributed by an Employee into the Social Security Plan, as mandated by the Federal Social Security Act.
- (25) *Social Security Plan* means the City benefit offered to City Employees to join Social Security. Employee participation in Social Security is authorized by Section 218 of the Federal Social Security Act and by O.C.G.A. § 45-5-1(a).
- (26) *Thirty Years of Service* means the date upon which a DB Plan Participant's Years of Service, as defined below, is thirty years, where such calculation is utilized for the sole purpose of determining whether the Employee may retire prior to Retirement Age without receiving an age penalty.
- (27) *Totally and Permanently Disabled/ Total and Permanent Disability* means a state or condition of physical and/or mental incapacity resulting from an illness or injury suffered by an Eligible Employee, such that s/he is not expected to be able to perform the needed duties of any occupation for which s/he is qualified by education, training or experience, even after reaching the point of maximum healing. An Eligible Employee will be deemed totally and permanently disabled only if the City's Disability and Survivor Benefits Committee makes a written determination that the Employee meets the following criteria: a) the Committee reasonably anticipates that for 12 months following the Date of Disability, the incapacitation will cause the Employee to be unable to perform her/his regular, assigned or comparable duties; and b) the Committee reasonably anticipates that after the initial 12 month period, the incapacitation will cause the Employee to be unable to engage in any occupation for which s/he is or becomes reasonably qualified by education, training or experience
- (28) *Voluntary Contribution* means the amount an Employee contributes to her/his Retirement Account, where such contribution is not mandated.
- (29) *Years of Service* means the number of consecutive years or fractions thereof during which an Employee was a permanent, full-time, active employee for the City. Years of Service may include non-consecutive years or fractions thereof where authorized by duly enacted City legislation."

SECTION 4: The Option 1 Retirement Plan (“Retirement Plan 1”) shall consist solely of a Defined Contribution Plan that will take effect November 1, 2011. Under Retirement Plan 1, all mandatory contributions by the Employee and all City contributions shall be placed in a Section 401(a) account. All voluntary contributions by the Employee shall be placed in a Section 457(b) account. The City of Atlanta Charter shall be amended to establish Retirement Plan 1. The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(b) The City shall offer a Defined Contribution Retirement Plan to all Employees effective November 1, 2011. The retirement benefit of an Employee enrolled in the Retirement Plan, who was previously enrolled in a DB Plan or the Pre-November 1, 2011 Defined Contribution Plan, shall be a combination of all benefits earned from each plan. The Defined Contribution Retirement Plan shall be set forth in a plan document to be adopted and maintained by the DC Plan Management Committee, as described in Section 6-2(c)(12) below, and at a minimum shall contain the terms described in Section 6-2(c) below.

(c) Defined Contribution Retirement Plan Description:

- (1) All Employees as of November 1, 2011 must participate in the DC Plan. These Employees must make a mandatory employee pre-tax contribution of 6% of Compensation into the Section 401(a) portion of her/his Retirement Account. Such contribution will be picked-up by the City on a salary reduction basis pursuant to Section 414(h) of the Internal Revenue Code of 1986, as amended.
- (2) The City shall also make a contribution of 6% of Compensation into the Section 401(a) portion of the Employee’s Retirement Account. The City’s contributions to the Employee’s Retirement Account shall vest over a 5-year period at 20% per year, such that all contributions made by the City after the completion of the fifth year are 100% vested.
- (3) An Employee’s Years of Service accumulated prior to November 1, 2011 shall be counted in Years-of-Service calculations under the DC Plan for the sole purpose of determining vesting as described in Section 6-2 (c)(2) above.
- (4) In addition to making the mandatory 6% contribution to the DC Plan, each Employee may make an additional Voluntary Contribution into the Section 457(b) portion of her/his Retirement Account. The Employee’s Voluntary Contribution shall not exceed the maximum contribution permitted under the Internal Revenue Code for Section 457(b) plans.
- (5) The Employee’s Voluntary Contributions shall be pre-tax dollars, unless indicated otherwise by the Employee in the manner prescribed by the City. Where an Employee chooses to utilize after-tax dollars for all or a portion of her/his Voluntary Contributions, said after-tax contributions shall be treated as Roth contributions to the extent allowed by Section 457(b) of the Internal Revenue Code of 1986 as amended.
- (6) An Employee may change the amount of her/his Voluntary Contribution and/or the percentage of Voluntary Contribution that is paid with after-tax dollars (if any) in the manner prescribed by the City. Such changes may be made at any time, provided that the Employee does not make changes more than one time per month.

- (7) The retirement account of an Employee who was enrolled in the Pre-November 1, 2011 Defined Contribution Plan shall be retained as part of the Employee's Retirement Account under the new Retirement Plan.
- (8) Each Employee shall direct how the funds in her/his Retirement Account shall be invested, selecting from a menu of investment options provided by the Plan Administrator. The Employee may select more than one investment option.
- (9) An Employee may direct lump sum distributions from her/his Retirement Account upon separation from the City, death, disability (pursuant to the City's disability retirement provisions), or retirement, in accordance with the terms of the applicable City ordinances and other laws.
- (10) Each Employee may designate one or more Retirement Account beneficiaries of her/his choice.
- (11) The Plan Administrator shall be the Chief Financial Officer or her/his designee. The Plan Administrator shall oversee the daily administration of the Defined Contribution Retirement Plan. The Plan Administrator shall report to the Management Committee of the Defined Contribution Retirement Plan, as defined in number (12) immediately below.
- (12) The Management Committee of the Defined Contribution Retirement Plan shall be comprised of the Mayor or her/his designee, the Chairperson of the City Council Finance and Executive Committee, the City Attorney or her/his designee, the Chief Financial Officer, and the Commissioner of the Department of Human Resources. The Management Committee shall manage and operate the DC Plan. It shall make all final decisions that materially impact the DC Plan, except that such decisions will be approved by duly enacted legislation where required by the Atlanta Code of Ordinances. The Management Committee shall have all powers necessary to enable it to properly carry out the duties of a retirement plan manager, which include the following: (i) engaging the services of third party service providers, consistent with the City's procurement procedures. The service providers may provide recordkeeping services for the DC Plan, provide investment fund options, provide and present investment education and other communication materials to Employees; and provide disability insurance; (ii) preparing and construing the DC Plan documents and agreements, and providing answers to all questions related thereto; (iii) providing answers to all questions relating to eligibility and benefit entitlement under the DC Plan, except where otherwise provided in this Section 6-2; (iv) maintaining records relating to Employees; (v) preparing and furnishing to Employees all applicable information required under state and/or federal law; (vi) preparing and furnishing to the third-party service provider all necessary Employee and financial data; (vii) providing direction and oversight of the third-party service provider; (viii) preparing and filing with all other appropriate government entities all reports and other information required under law to be so filed and/or published; (ix) engaging consultants, actuaries or other professional advisers as necessary to aid in the DC Plan administration; (x) arranging for fiduciary bonding if necessary; and (xi) providing procedures for benefit payments.

(d) Reserved.”

SECTION 5: As an alternative to Retirement Plan 1, the City may implement a Retirement Plan that includes Social Security ("Retirement Plan 2"). Retirement Plan 2, described in this Section 5, consists of a Defined Contribution Plan component and a Social Security component, both of which shall be implemented on November 1, 2011. Under Retirement Plan 2, all mandatory contributions by the Employee to her/his Defined Contribution Plan and all City contributions to the Defined Contribution Plan shall be placed into the Section 401(a) portion of the Employees Retirement Account. All voluntary contributions by the Employee to her/his Defined Contribution Plan shall be placed into the Section 457(b) portion of the Employees Retirement Account. The City of Atlanta Charter shall be amended to establish Retirement Plan 2. The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

"(b)The City shall offer a Retirement Plan to all Employees effective November 1, 2011, and such Retirement Plan shall consist of a Social Security component and a Defined Contribution component. The retirement benefit of an Employee enrolled in the Retirement Plan, who was previously enrolled in a DB Plan or the Pre-November 1, 2011 Defined Contribution Plan, shall be a combination of all benefits earned from each plan. The Defined Contribution Retirement Plan shall be set forth in a plan document to be adopted and maintained by the Management Committee, as described in subparagraph (d)(11) of this Section, and at a minimum shall contain the terms described below in subparagraph (d) of this Section 6-2.

(c) Retirement Plan- Social Security Component:

- (1) All Employees as of November 1, 2011 who were hired prior to that date, and who either Opt In or fail to Opt Out of the Social Security Plan, shall be covered by Social Security, and the City and the Employee shall make the Social Security Contributions required by the Internal Revenue Code, the regulations thereunder and the Section 218 Agreement. Employee contributions shall be made with pre-tax dollars.
- (2) All Employees hired on or after November 1, 2011 will be required to join the Social Security Plan regardless of whether the Employee had been previously employed by the City, unless otherwise set forth in this Code of Ordinances. These Employees and the City shall make the Social Security Contributions required by the Internal Revenue Code, the regulations thereunder and the Section 218 Agreement. Employee contributions shall be made with pre-tax dollars.
- (3) Employees participating in the Social Security Plan may not participate in the mandatory portion of the Defined Contribution Retirement Plan, as described in Section 6-2 (d)(1) below. Such Employees may participate in the Voluntary Contribution portion of the Defined Contribution Retirement Plan as described in the remainder of Section 6-2 (d) below.

(d) Retirement Plan- Defined Contribution Component:

- (1) All Employees as of November 1, 2011 who were hired prior to that date and who Opt Out of the Social Security Plan must participate in the DC Plan by making a pre-tax contribution of 6% of Compensation into the Section 401(a) portion of her/his

- Retirement Account. Such contribution will be picked-up by the City on a salary reduction basis pursuant to Section 414(h) of the Internal Revenue Code of 1986, as amended. The City will match this mandatory amount by contributing 6% of Compensation into the Section 401(a) portion of the Employee's Retirement Account. These City contributions shall vest over a 5-year period at 20% per year, such that all contributions made by the City after the completion of the fifth year are 100% vested.
- (2) Each Employee participating in the City's Retirement Plan, including every Employee who participates in the Social Security Plan, has the option of making Voluntary Contributions into the Section 457(b) portion of her/his Retirement Account. The Employee's Voluntary Contribution shall be the percentage of Compensation directed by the Employee, and may not exceed 14% of Compensation or the maximum contribution permitted under the Internal Revenue Code, whichever is less. The City will match the Employee's Voluntary Contribution as follows:
- (i) For Employees as of November 1, 2011 who were DB Plan Participants and who **Opt In** to or fail to Opt Out of the Social Security Plan:
The City will match up to the first 8% of the Employee's Voluntary Contribution at a rate of 100%. The City will not match the remainder of the Employee's Voluntary Contribution (9%-14% Compensation or maximum legal amount).
 - (ii) For Employees as of November 1, 2011 who were members of the Pre-November 1, 2011 Defined Contribution Plan and who **Opt In** to the Social Security Plan:
The City will match up to the first 8% of the Employee's Voluntary Contribution at a rate of 50%. The City will not match the remainder of the Employee's Voluntary Contribution (9%-14% Compensation or maximum legal amount).
 - (iii) For Employees as of November 1, 2011 who were DB Plan Participants and who **Opt Out** of the Social Security Plan:
The City will match up to the first 6% of the Employee's Voluntary Contribution at a rate of 100%. The City will not match the remainder of the Employee's Voluntary Contribution (7%-14% Compensation or maximum legal amount).
 - (iv) For Employees as of November 1, 2011 who were members of the Pre-November 1, 2011 Defined Contribution Plan and who **Opt Out** of the Social Security Plan:
The City will match up to the first 8% of the Employee's Voluntary Contribution at a rate of 50%. The City will not match the remainder of the Employee's Voluntary Contribution (9%-14% Compensation or maximum legal amount).
 - (v) For Employees hired on or after November 1, 2011 who have a pay grade of **19 or higher**, including Employees hired on or after November 1, 2011 who are promoted to a pay grade of 19 or higher (for their Voluntary Contributions made after the new pay grade takes effect):
The City will match the first 8% of the Employee's Voluntary Contribution at a rate of 50%. The City will not match the remainder of the Employee's Voluntary Contribution (9%-14% Compensation or maximum legal amount).

- (vi) For Employees hired on or after November 1, 2011 who are sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department, and/or have a salary pay grade of **less than 19**:

The City will match the first 8% of the Employee's Voluntary Contribution at a rate of 100%. The City will not match the remainder of the Employee's Voluntary Contribution (9%-14% Compensation or maximum legal amount).

- (3) The Employee's Voluntary Contribution and the City's Voluntary Contribution match amounts listed immediately above are in addition to the Employee's and City's mandatory Social Security contributions or the mandatory contributions to the Employee's Section 401(a) portion of her/his Retirement Account.
- (4) The City's match of the Employee's Voluntary Contributions shall be deposited into the Section 401(a) portion of the Employee's Retirement Account. These match contributions shall vest over a 5-year period at 20% per year, such that all contributions made by the City after the completion of the fifth year are 100% vested.
- (5) An Employee's Years of Service accumulated prior to November 1, 2011 shall be counted in the Years of Service calculations under the DC Plan for the sole purpose of determining vesting as described in Sections 6-2 (d)(1) and 6-2(d)(4) above.
- (6) The Employee's Voluntary Contributions shall be pre-tax dollars, unless indicated otherwise by the Employee in the manner prescribed by the City. Where an Employee chooses to utilize after-tax dollars for all or a portion of her/his Voluntary Contributions, said after-tax contributions shall be treated as Roth contributions to the extent allowed by Section 457(b) of the Internal Revenue Code of 1986 as amended.
- (7) An Employee may change the amount of her/his Voluntary Contribution and/or the percentage of Voluntary Contribution that is paid with after-tax dollars (if any) in the manner prescribed by the City. Such changes may be made at any time, provided that the Employee does not make changes more than one time per month.
- (8) The Retirement Account of an Employee who was enrolled in the Pre-November 1, 2011 Defined Contribution Plan shall be retained as part of the Employee's Retirement Account under the new Retirement Plan.
- (9) Each Employee shall direct how the funds in her/his Retirement Account shall be invested, selecting from a menu of investment options provided by the Plan Administrator. The Employee may select more than one investment option.
- (10) An Employee may direct lump sum distributions from her/his Retirement Account upon separation from the City, death, disability (pursuant to the City's disability retirement provisions), or retirement, in accordance with the terms of the applicable City ordinances and other laws.
- (11) Each Employee may designate one or more Retirement Account beneficiaries of her/his choice.
- (12) The Plan Administrator shall be the Chief Financial Officer or her/his designee. The Plan Administrator shall oversee the daily administration of the Defined Contribution Retirement Plan. The Plan Administrator shall report to the Management Committee of the DC Plan, as defined in number 13 immediately below.
- (13) The Management Committee of the Defined Contribution Retirement Plan shall be comprised of the Mayor or her/his designee, the Chairperson of the City Council

Finance and Executive Committee, the City Attorney or her/his designee, the Chief Financial Officer, and the Commissioner of the Department of Human Resources. The Management Committee shall manage and operate the DC Plan. It shall make all final decisions on issues that may materially impact the financial value of assets in the DB Plan, except that such decisions will be approved by duly enacted legislation where required by the Atlanta Code of Ordinances. The Management Committee shall have all powers necessary to enable it to properly carry out the duties of a pension plan manager, which include the following: (i) engaging the services of third party service provider(s) and a trustee, consistent with the City's procurement procedures. The service provider(s) and trustee may provide recordkeeping services for the DC Plan, provide investment fund options and trustee services, provide and present investment education and other communication materials to Employees; and provide disability insurance; (ii) preparing and construing the DC Plan documents and agreements, and providing answers to all questions related thereto; (iii) providing answers to all questions relating to eligibility and benefit entitlement under the DC Plan; (iv) maintaining records relating to Employees; (v) preparing and furnishing to Employees all applicable information required under state and/or federal law; (vi) preparing and furnishing to the third party service provider and/or trustee necessary Employee and financial data; (vii) providing direction and oversight of the third party service provider and/or trustee; (viii) preparing and filing with all other appropriate government entities all reports and other information required under law to be so filed or published; (ix) engaging consultants, attorneys, actuaries or other assistants and professional advisers as necessary to aid in the DC Plan administration; (x) arranging for fiduciary bonding if necessary; (xi) providing procedures for benefit payments; and (xii) delegating any or all of its responsibilities, except that the Management Committee may not delegate its duty to make final decisions on issues that may materially impact the financial value of the assets in the DC Plan."

SECTION 6: The New Retirement Plan shall offer a Long Term Disability Benefit to Eligible Employees. All other Employees shall receive Long Term Disability Insurance coverage through their participation in the Retirement Plan. To that effect, the following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(e) Long Term Disability Benefit

- (1) A Long Term Disability Benefit or Disability Benefit is established pursuant to this Section 6.2, and is different from the Disability Pension established in and provided pursuant to the DB Plans.
- (2) The following provisions shall apply to the calculation of the Disability Benefit for every Eligible Employee:
 - (i) The City will provide a Long Term Disability Benefit to an Eligible Employee who is determined to be Totally and Permanently Disabled by the Disability and Survivor Benefits Committee. The DSB Committee shall make its determination by utilizing a preponderance of the evidence standard, and shall base its decision

on official medical records, other documentary evidence, qualified medical expert opinions, sworn testimony, and/or other reliable sources accepted by the DSB Committee. The DSB Committee shall provide its determination in writing, with a detailed explanation of the supporting evidence. The City or the Eligible Employee may appeal the DSB Committee's determination pursuant to applicable law and the process established by the DSB Committee.

- (ii) The Long Term Disability Benefit provided to an Eligible Employee shall begin after the Employee has utilized all of her/his accumulated sick leave.
- (iii) The Long Term Disability Benefit shall continue until the earlier of the end of the Eligible Employee's Total and Permanent Disability, the Eligible Employee's attainment of Retirement Age or Thirty Years of Service, or death of the Eligible Employee.
- (iv) During the time that an Eligible Employee is receiving a Disability Benefit, the Employee's and the City's mandatory contributions to the Employee's Retirement Account, including Social Security contributions, shall cease. The Employee may make Voluntary Contributions to the 457(b) portion of her/his Retirement Account. The City will not match any portion of the Voluntary Contributions while the Employee is receiving a Disability Benefit.
- (iv) The monthly amount of a DB Participant's Long Term Disability Benefit shall be reduced by the monthly amount of her/his Disability Pension, where such Disability Pension is calculated under the applicable DB Pension Plan as amended by this Section 6.2.
- (v) In the event that the Eligible Employee receiving a Long Term Disability Benefit also receives a Workers' Compensation award for the same illness or injury for which the City is paying a Disability Benefit, the monthly amount of the Disability Benefit shall be reduced such that the sum of the monthly Disability Benefit amount, plus the monthly Disability Pension amount if any, plus the monthly value of the Workers' Compensation award, do not exceed 75% of the Eligible Employee's Monthly Compensation. This Section 6-2(e)(2)(v) shall not apply to Eligible Employees who suffered a Catastrophic Injury in the Line of Duty, as defined in Section 6-2(e)(3)(iii) below. In addition, this Section 6-2(e)(2)(v) shall not prevent the restoration of some or all of the Employee's Disability Benefit upon reduction or termination of any such Workers' Compensation payments.
- (vi) Upon the Eligible Employee's attainment of Retirement Age or Thirty Years of Service, the Long Term Disability Benefit shall cease. At that time, the City shall deposit a lump sum amount into the Section 401(a) portion of the Employee's Retirement Account that shall be equal to twelve percent (12%) of the Eligible Employee's Compensation at the Date of Disability, multiplied by the number of years (including fractions thereof) that the Eligible Employee received a Long Term Disability Benefit. This deposit shall be made regardless of whether the Eligible Employee is a member of the Social Security Plan. The provisions set forth in this Section 6.2 regarding utilization of the Retirement Account shall then be applied. In addition, where the Eligible Employee is a DB Plan Participant, s/he shall also receive the retirement benefits from her/his DB Pension Plan according to the terms set forth therein.

(vii) Upon the death of an Eligible Employee who is receiving a Long Term Disability Benefit, the monthly Long Term Disability Benefit shall cease and any future benefits shall be determined as set forth in Section 6-2 (f) below, entitled Survivor Benefits.

(3) Disability Benefits shall be calculated based upon the type of disability, utilizing the applicable formula set forth below, and applying the provisions set forth in Section 6-2(e)(2) above. A monthly long term disability benefit for Eligible Employees shall be calculated as follows:

(i) Disability in the Line of Duty:

(A) Disability in the Line of Duty means that an Eligible Employee is Totally and Permanently Disabled due to an injury that occurred while in the line of duty or due to an illness contracted solely as a result of activities performed while in the line of duty.

(B) A DB Plan Participant who was hired before 1986 will receive a monthly Long Term Disability Benefit amount that is equal to 70% of her/his Monthly Compensation. This amount shall be adjusted as set forth in Section 6-2(e)(2)(iv) and (v) above.

(C) Eligible Employees who were hired on or after January 1, 1986 will receive a monthly Long Term Disability Benefit equal to the greater of: a) 50% of the Eligible Employee's Monthly Compensation as adjusted pursuant to Section 6-2(e)(2)(iv) and (v) above; or b) the value of the following as adjusted pursuant to Section 6-2(e)(2)(iv) and (v) above:

1. For sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department hired after January 1, 1986 and before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (g)(1)(ii)(B) below.
2. For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (g)(1)(ii)(B) below.
3. For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (g)(1)(ii)(B) below.

ii. Disability Not in the Line of Duty:

(A) Disability Not in the Line of Duty means that an Eligible Employee is Totally and Permanently Disabled due to an injury that did not occur while in the line of duty or due to an illness that was not contracted solely as a result of activities performed while in the line of duty.

(B) A DB Plan Participant who was hired before 1986 and with at least 5 Years of Service will receive a monthly Long Term Disability Benefit that is equal to:

1. For all sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%. This amount shall be adjusted as set forth in Section 6-2(e)(2)(iv) above.
2. For all non-sworn Eligible Employees: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%. This amount shall be adjusted as set forth in Section 6-2(e)(2)(iv) above.

(C) Eligible Employees who were hired on or after January 1, 1986 and with at least 5 Years of Service will receive a monthly Long Term Disability Benefit equal to the greater of: a) 50% of the Eligible Employee's Monthly Compensation, as adjusted pursuant to Section 6-2(e)(2)(iv) above; or b) the value of the following as adjusted pursuant to Section 6-2(e)(2)(iv) above:

1. For sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department hired after January 1, 1986 and before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (g)(1)(ii)(B) below.
2. For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (g)(1)(ii)(B) below.
3. For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (g)(1)(ii)(B) below.

iii. Catastrophic Injury in the Line of Duty:

(A) For purposes of this Section 6-2 (e), "Catastrophic Injury" shall mean a sudden, violent, life-threatening injury sustained by an Eligible Employee in the line of duty, that causes the Employee to be Totally and Permanently Disabled, and which injury is due to an externally-caused event or events. Catastrophic Injury shall be determined by the DSB Committee based upon the procedure set forth in Section 6-2 (e)(2)(i) above. Examples of Catastrophic Injury shall include without limitation the following:

1. Loss of sight in one or both eyes;
2. Loss of one or both feet at or above the ankle;
3. Loss of one or both hands at or above the wrist;

4. An injury to the spine that results in permanent and complete paralysis of both arms, both legs, or one arm and one leg;
5. An externally caused traumatic physical injury to the brain or skull that renders one physically or mentally unable to perform two or more Activities of Daily Living (feeding oneself, dressing, continence, bathing, toileting and transferring, i.e. getting in and out of bed), driving a motor vehicle, or similar activities; and/or
6. A permanent severely disabling injury or disorder that compromises the ability to carry out the activities of daily living to such a degree that the individual requires personal or mechanical assistance to leave home or bed or requires constant supervision to avoid physical harm to self or others.

(B) Any Eligible Employee who receives a Catastrophic Injury in the Line of Duty will receive a fixed monthly Long Term Disability Benefit equal to 100% of the top salary for the payroll grade and position that s/he occupied at the Date of Disability.

- (4) Where an Eligible Employee believes that she has suffered a Total and Permanent Disability, s/he shall notify the DSB Committee as soon as practicable based upon the Eligible Employee's condition after the injury or illness is incurred. In addition, where a City Commissioner has any employee in her/his Department that claims to be Totally and Permanently Disabled, the Commissioner shall immediately notify the Commissioner of the Department of Human Resources, who shall immediately notify the DSB Committee. The DSB Committee shall determine if the Employee is an Eligible Employee, and if so, shall conduct an investigation and make a written determination regarding whether the Eligible Employee is Totally and Permanently Disabled, whether the Disability arose in the line of duty, and whether the Eligible Employee suffered a Catastrophic Injury in the Line of Duty. The written determination shall be issued within 90 days of the date on which the DSB Committee was informed of the disability claim.
- (5) Where the DSB Committee determines that an Eligible Employee is Totally and Permanently Disabled, and the Eligible Employee receives a Disability Benefit, the DSB Committee shall have the right to conduct an annual review of the Eligible Employee's condition. A review may occur more often than one time per year if the DSB Committee reasonably believes that the Eligible Employee is no longer Totally and Permanently Disabled. The DSB Committee shall conduct its review and make its determination using the procedure set forth in Section 6-2 (e)(2)(i) above. As part of this review, the DSB Committee shall have the right to require the Eligible Employee to submit to a medical examination. The purpose of the examination shall be to determine whether the Eligible Employee has recovered sufficiently such that s/he is able to return to a job or work position for which he/she is or becomes reasonably qualified by education, training or experience. If the DSB Committee determines that the Eligible Employee is no longer Totally and Permanently Disabled, the payment of the Long Term Disability Benefit shall be discontinued. The City or

the Eligible Employee may appeal the DSB Committee's determination(s) pursuant to applicable law and the process established by the DSB Committee.

- (6) All Employees who are not "Eligible Employees" shall receive Long Term Disability Insurance coverage through their participation in the Retirement Plan."

SECTION 7: The New Retirement Plan shall offer a Survivor Benefit to Eligible Employees. Accordingly, the following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

"(f) Survivor Benefit

- (1) A Survivor Benefit is established pursuant to this Section 6.2, and is different from the survivor pension benefit established in and provided pursuant to the DB Plans.
- (2) The City of Atlanta will provide a Survivor Benefit that shall be paid monthly to the designated beneficiary or beneficiaries of an Eligible Employee at the time of her/his death, as calculated below in this Section 6-2(f). For the sole purpose of this Section 6-2(f) (Survivor Benefit Section), "Eligible Employees" shall include all DB Plan Participants who left active service with after October 31, 2011.
- (3) Each Eligible Employee must designate a primary beneficiary and, if desired, a secondary beneficiary for the purpose of receiving a Survivor Benefit.
 - (i) The primary beneficiary and secondary beneficiary (if any) must be a "Qualified Beneficiary", thereby meeting one of the following descriptions:
 - (A) The spouse or domestic partner (as defined in the Atlanta Code of Ordinances) of the Eligible Employee; and/or
 - (B) The child or children (natural or legally adopted) of the Eligible Employee who is/are unmarried, and is either younger than 18 years of age, or younger than 23 years of age and enrolled as a full-time student at an accredited secondary school, college or university.
 - (ii) The Eligible Employee may not designate the same Qualified Beneficiary as a primary and a secondary beneficiary.
 - (iii) The Eligible Employee may change her/his primary and or secondary beneficiary to another Qualified Beneficiary/Beneficiaries in the manner prescribed by the City. Such changes may be made at any time, provided that the Employee does not make changes more than one time per month.
 - (iv) If the primary beneficiary should no longer meet the definition of "Qualified Beneficiary" at the time of the Eligible Employee's death, the entire Survivor Benefit shall be provided to the secondary beneficiary (if any) provided that s/he is a Qualified Beneficiary.
- (4) Upon the death of an Eligible Employee, her/his Primary and/or Secondary Beneficiary may apply to the Disability and Survivor Benefits Committee for a Survivor Benefit equal to 75% of the application of the following formula:

- (i) For sworn members of the Atlanta Police Department or Atlanta Fire Rescue Department hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the date of death, multiplied by 3%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (g)(1)(ii)(B) below.
 - (ii) For all non-sworn Eligible Employees hired before November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2.5%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (g)(1)(ii)(B) below.
 - (iii) For all Eligible Employees hired on or after November 1, 2011: Monthly Compensation, multiplied by Years of Service at the Date of Disability, multiplied by 2%, multiplied by the Vesting Percentage (if any) set forth in Section 6-2 (g)(1)(ii)(B) below.
 - (iv) For the calculations above, where an Eligible Employee received a Disability Benefit during any portion of her/his Years of Service, the "Years of Service at the date of death" calculation shall include the years or parts thereof in which s/he received a Disability Benefit.
- (5) The total monthly value of the Survivor Benefit shall be reduced by the monthly amount of the Eligible Employee's survivor pension benefit as calculated under the applicable DB Pension Plan as amended by this Section 6.2, such that the total monthly payment of the Survivor Benefit plus the survivor pension benefit shall not exceed 100% of the monthly value of the Survivor Benefit as calculated herein.
- (6) Where an Eligible Employee dies as a result of injuries incurred in the line of duty, her/his primary Qualified Beneficiary may receive a monthly payment for two years following the date of the Employee's death, and such payment shall be equal to the Compensation to which such Eligible Employee would have been entitled had s/he remained in active service. At the expiration of the two-year period referred to herein, the Survivor Benefit due the primary beneficiary shall be computed in accordance with the formula described in Section (f)(4) above, except that the Eligible Employee's vesting percentage shall be calculated as 100%. The Survivor Benefit for a primary Qualified Beneficiary shall be paid to the secondary Qualified Beneficiary or Beneficiaries upon the death or ineligibility of the primary Qualified Beneficiary.
- (7) The Commissioner of the Department of Human Resources shall immediately notify the Disability Survivor Benefit Committee upon the death of any employee in her/his Department. The DSB Committee shall determine if the Employee is an Eligible Employee, and if so, shall conduct an investigation and make a written determination regarding whether the Eligible Employee's death was incurred in line of duty. The written determination shall be issued within 90 days of the date on which the DSB Committee was informed of the death. The DSB Committee shall conduct its review and make its determination using the procedure set forth in Section 6-2 (e)(2)(i) above. The City or the Eligible Employee may appeal the DSB Committee's determination pursuant to applicable law and the process established by the DSB Committee."

SECTION 8: At the close of business on October 31, 2011, the Benefit Formula for each DB Plan Participant shall be frozen. The calculation of Benefit Formulas as of that date shall be set forth in Charter Section 6.2. The following shall be added to Section 6-2 in the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions):

“(g) Calculation of Frozen DB Plan Benefits:

(1) Upon retirement, an Employee who was a member of a DB Plan on October 31, 2011 shall be eligible to receive the DB Plan benefits s/he has accrued. Except as set forth in Section 6-2(d)(2) below, the DB Plan benefits shall be calculated in the same manner utilized by the City in 2011 prior to November 1, 2011, and specifically as follows (details of the calculation not included in this Section 6-2 shall be implemented as set forth in the applicable DB Plan):

(i) The DB Plan Benefit Formula (“Benefit Formula”) is derived by:

- (A) Multiplying the pension multiplier ranging from 2%-3% (the “Multiplier”) by the Employee’s years of service with the City (“Years of Service”) (the product shall be referred to as “Years of Service Multiplier”).
- (B) The Years of Service Multiplier may not exceed 80% (the “Cap”), unless the Employee opted for a Benefit Formula that waives the Cap. If the Years of Service Multiplier exceeds 80%, the Years of Service Multiplier shall be reduced to 80% (“Adjusted Years of Service Multiplier”), except that if the Employee opted to waive the Cap, the Years of Service Multiplier shall remain unchanged (also referred to as the “Adjusted Years of Service Multiplier”).
- (C) The Adjusted Years of Service Multiplier shall be multiplied by Annual Compensation. Annual Compensation is determined by calculating the highest Compensation received by an Employee over a consecutive 36 month period and dividing it by three (“Annual Compensation”).
- (D) In the form of a numerical equation, the Benefit Formula for Employees whose Benefit Formula *has a Cap* is:

**Benefit Formula= Annual Compensation x {lower of: 80% or
[Multiplier x Years of Service]}**

The Benefit Formula for Employees whose Benefit Formula *does not have a Cap* is:

Benefit Formula = Annual Compensation x Multiplier x Years of Service

(ii) The actual benefit received by the Employee (“Actual Benefit”) shall be equivalent to the Benefit Formula, unless the Employee is not fully vested in the DB Plan, or unless the Employee withdraws her/his DB pension prior to reaching Retirement Age or Thirty Years of Service. Calculation of the Actual Benefit prior to vesting and/or prior to reaching Retirement Age or Thirty Years of Service shall be as follows:

- (A) If an Employee is fully vested in the DB Plan and withdraws her/his DB pension prior reaching Retirement Age or Thirty Years of Service, the Benefit Formula shall be reduced by the Age Penalty amount set forth in the applicable DB Plan.
- (B) If a DB Plan Participant has completed at least 5 Years of Service with the City but has not fully vested in the DB Plan, and leaves City employment prior to reaching Retirement Age or Thirty Years of Service, the Employee may elect not to withdraw her/his pension until Retirement Age or later. At the time that the DB Plan Participant files a completed application with the City to receive pension (assuming s/he has reached Retirement Age), s/he will receive a monthly pension benefit equivalent to the Benefit Formula multiplied by the Vesting Percentage. The Vesting Percentages are as follows:
1. Completion of 5 Years of Service- 25%;
 2. Completion of 6 Years of Service- 30%;
 3. Completion of 7 Years of Service- 35%;
 4. Completion of 8 Years of Service- 40%;
 5. Completion of 9 Years of Service – 45%.
 6. For DB Participants who require 10 Years of Service to fully vest, the Vesting Percentage will be 100% after the completion of 10 Years of Service.
 7. For DB Participants who require 15 Years of Service to fully vest, Completion of 10 Years of Service – 50%.
 8. Completion of 11 Years of Service – 55%.
 9. Completion of 12 Years of Service – 60%.
 10. Completion of 13 Years of Service – 65%.
 11. Completion of 14 Years of Service – 70%.
 12. Completion of 15 Years of Service – 75%.
 13. For DB Participants who require 15 Years of Service to fully vest, the Vesting Percentage will be 100% after the completion of 15 Years of Service.
- (C) If a DB Plan Participant is not fully vested in the DB Plan and leaves City employment prior to completion of 5 Years of Service, the Employee shall receive a cash-out value for her/his pension contributions equivalent to the amount s/he contributed into the DB Plan plus 5% per annum for the number of years in which s/he contributed to the DB Plan.
- (D) In the form of a numerical equation, the Actual Benefit for DB Participants who are vested and retire prior to reaching Retirement Age or Thirty Years of Service is:
- Actual Benefit = Benefit Formula – Age Penalty**
- The Actual Benefit for DB Participants who have 5 or more years of service and draw their pension at Retirement Age or later is:
- Actual Benefit = Benefit Formula x Vesting Percentage**

(2) The value of the Benefit Formula and Actual Benefit of each DB Plan Participant who retires on or after July 1, 2011 shall remain fixed at her/his Benefit Formula and Actual Benefit value on the date of retirement or October 31, 2011, whichever comes earlier ("Fixed Benefit Formula" and "Fixed Actual Benefit"). The Fixed Benefit Formula and Fixed Actual Benefit shall be calculated as set forth in Section 6-2(g)(1) above, except that the following one-time modifications to the Benefit Formula and Actual Benefit may be made for the limited purpose of calculating the Fixed Benefit Formula and Fixed Actual Benefit:

i. A DB Plan Participant shall have the option of increasing her/his Fixed Benefit Formula by adding her/his days of unused sick leave as of October 31, 2011 as follows:

- (A) DB Plan Participants who retire prior to November 1, 2011 may add all of their unused sick leave accumulated as of October 31, 2011 to the "Years of Service" calculation in the Benefit Formula, applying the calculation established in the applicable DB Plan.
- (B) DB Plan Participants who retire prior to November 1, 2011 may add unused sick leave accumulated as of October 31, 2011 to the "Compensation" calculation in the Benefit Formula, applying the calculation established in the applicable DB Plan.
- (C) DB Plan Participants who do not retire prior to November 1, 2011 may designate the number of hours of unused sick leave to be utilized for the Years of Service and Compensation calculations, as described in the applicable DB Plan, provided that the Employee retains no fewer than 80 hours of unused sick leave for future use. This designation must be made prior to November 1, 2011, at the time and in the manner prescribed by the City. Any sick leave hours used by the Employee to enhance her/his Fixed Benefit Formula may not be used by the Employee in the future for sick leave or any other purpose.
- (D) Unused sick leave may not be used to modify the Employee's Vesting Percentage or to increase the Employee's Years of Service in the Thirty Years of Service calculation, except in the following limited circumstance:
Where a DB Plan Participant has not accrued Thirty Years of Service as of October 31, 2011, but would reach Thirty Years of Service on that date if the Employee's unused sick leave were added to her/his actual Years of Service, the Employee shall have the option of utilizing her/his unused sick leave for the purpose of reaching Thirty Years of Service and eliminating an Age Penalty, provided that the Employee retires no later than October 31, 2011. Employees exercising this option may also utilize the unused sick leave to increase the Years of Service calculation in the Benefit Formula, but may not utilize those hours to increase the Compensation calculation in the Benefit Formula.

ii. A DB Plan Participant shall have the option of increasing her/his Fixed Benefit Formula by calculating the dollar value of her/his unused annual leave on October

31, 2011 and adding that value to the calculation of her/his highest 36 consecutive months of Compensation, provided that the Employee retires prior to November 1, 2011. These calculations shall be performed as set forth in the applicable DB Plan.

- iii. Where a DB Plan Participant previously agreed to an alternative Benefit Formula that utilizes a decreased Multiplier in exchange for elimination of the 80% Cap, the City will determine the Benefit Formula using the standard calculation and the alternative calculation. The City will utilize the higher calculation as the Employee's Fixed Benefit Formula.
- iv. Where a DB Plan Participant has not vested in the DB Plan as of October 31, 2011, s/he may apply her/his Years of Service with the City after October 31, 2011 to increase the Vesting Percentage in the calculation of her/his Fixed Actual Benefit. The Employee will fully vest in the DB Plan if s/he attains the required Years of Service. The increased Years of Service shall not be used to modify the Fixed Benefit Formula."

SECTION 9: The City of Atlanta Charter is hereby amended to implement a hard freeze on the Fire Fighters' Pension Fund that will take effect on October 31, 2011. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article IV (Firefighters), Sections 6-366 through 6-420, shall be amended by adding a new Section 6-400 that shall read as follows:

"Sec. 6-400. Application of Hard Freeze on October 31, 2011.

There has been raised and established funds for the aid, relief and pension of members of the Atlanta Fire Department who are or were in active service between the time of the passage of this act and October 31, 2011 ("Firefighters' Pension Fund"). Starting on November 1, 2011, no additional retirement benefits will be accumulated under the Firefighters' Pension Fund for any members who are active service City Employees on that date, and who were either: 1) hired on or after January 1, 1984; or hired before January 1 1984 who opt into the City's new Retirement Plan that takes effect on November 1, 2011. No one may join the Firefighters' Pension Fund after October 31, 2011. All benefits earned as of October 31, 2011 will remain unchanged, and all rules regarding said benefits, including without limitation distribution of said benefits, will be subject to the provisions set forth in this Article IV, Sections 6-366 through 6-420, except as modified by Section 6-2 of the City of Atlanta Charter. Members of the Firefighters' Pension Fund who are active City Employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City of Atlanta Charter. The retirement plan and benefits of the following members of the Firefighters' Pension Fund shall remain unchanged: 1) members who are active service City Employees on November 1, 2011, who were hired before January 1, 1984 and who opt out of the City's new retirement plan that takes effect on November 1, 2011; and 2) members who retired before November 1, 2011."

SECTION 10: The City of Atlanta Charter is hereby amended to implement a hard freeze on the Police Department Pension Fund that will take effect on October 31, 2011. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article III (Police Department), Sections 6-221 through 6-280, shall be amended by adding a new Section 6-258 that shall read as follows:

“Sec. 6- 258. Application of Hard Freeze on October 31, 2011.

There has been raised and established funds for the relief and pensioning of members of the Atlanta Police Department who are or were in active service between the time of the passage of this act and October 31, 2011 (“Police Officers’ Pension Fund”). Starting on November 1, 2011, no additional retirement benefits will be accumulated under the Police Officers’ Pension Fund for any members who are active service City employees on that date, and who were either: 1) hired on or after January 1, 1984; or hired before January 1 1984 who opt into the City’s new retirement plan that takes effect on November 1, 2011. No one may join the Police Officers’ Pension Fund after October 31, 2011. All benefits earned as of October 31, 2011 will remain unchanged, and all rules regarding said benefits, including without limitation distribution of said benefits, will be subject to the provisions set forth in this Article III, Sections 6-221 through 6-280, except as modified by Section 6-2 of the City of Atlanta Charter. Members of the Police Officers’ Pension Fund who are active City employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City of Atlanta Charter. The retirement plan and benefits of the following members of the Police Officers’ Pension Fund shall remain unchanged: 1) members who are active service City employees on November 1, 2011, who were hired before January 1, 1984 and who opt out of the City’s new retirement plan that takes effect on November 1, 2011; and 2) members who retired before November 1, 2011.”

SECTION 11: The City of Atlanta Charter is hereby amended to implement a hard freeze on the Nonuniformed Officers and Employees Pension Fund that will take effect on October 31, 2011. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article II (Nonuniformed Officers and Employees), Sections 6-36 through 6-140, shall be amended by adding a new Section 6-104 that shall read as follows:

“Sec. 6-104. Application of Hard Freeze on October 31, 2011.

There has been raised and established funds for the relief and pensioning of members of nonuniformed officers and employees of the City of Atlanta who are or were in active service between the time of the passage of this act and October 31, 2011 (“General Employees’ Pension Fund”). Starting on November 1, 2011, no additional retirement benefits will be accumulated under the General Employees’ Pension Fund for any members who are active service City employees on that date, and who were either: 1) hired on or after January 1, 1984; or hired before January 1 1984 who opt into the City’s new retirement plan that

takes effect on November 1, 2011. No one may join the General Employees' Pension Fund after October 31, 2011. All benefits earned as of October 31, 2011 will remain unchanged, and all rules regarding said benefits, including without limitation distribution of said benefits, will be subject to the provisions set forth in this Article III, Sections 6-36 through 6-140, except as modified by Section 6-2 of the City Charter. Members of the General Employees' Pension Fund who are active service employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City Charter. The retirement plan and benefits of the following members of the General Employees' Pension Fund shall remain unchanged: 1) members who are active service City employees on November 1, 2011, who were hired before January 1, 1984 and who opt out of the City's new retirement plan that takes effect on November 1, 2011; and 2) members who retired before November 1, 2011."

SECTION 12: This Ordinance shall take effect at the time of its adoption.

SECTION 13: All ordinances and parts of ordinances in conflict herewith are hereby waived for purposes of this ordinance only, and only to the extent of the conflict.

AN ORDINANCE

BY COUNCILMEMBERS AARON WATSON AND H. LAMAR WILLIS

11-0-0672

11-0-

AN ORDINANCE TO AMEND THE RETIREMENT BENEFITS OFFERED BY THE CITY OF ATLANTA TO ITS ELIGIBLE ACTIVE EMPLOYEES BY: CREATING A NEW SECTION 6-2 TO THE CITY OF ATLANTA CHARTER, SO AS TO PROVIDE A UNIFORM RETIREMENT PROGRAM FOR ALL ELIGIBLE CITY EMPLOYEES FOR WORK PERFORMED ON AND AFTER NOVEMBER 1, 2011; AND PLACING A HARD FREEZE ON THE GENERAL EMPLOYEES' PENSION FUND, FIREFIGHTERS' PENSION FUND AND POLICE PENSION FUND, SO THAT PENSION BENEFITS OF RETIREES REMAIN UNCHANGED AND BENEFITS ACCUMULATED BY ACTIVE EMPLOYEES AS OF OCTOBER 31, 2011 REMAIN UNCHANGED; AND FOR OTHER PURPOSES.

WHEREAS, the City provides its retirees and active employees with retirement benefits through a General Employees' Pension Fund, a Police Pension Fund, a Firefighters' Pension Fund, and a Defined Contribution Plan; and

WHEREAS, the unfunded liability of the three Pension Plans has dramatically increased since 2005; and

WHEREAS, the City's annual required contribution to the three Pension Plans has become a steadily increasing percentage of its annual budget; and

WHEREAS, continued increases to the annual required contribution to the Pension Plans threaten the fiscal stability of the City; and

WHEREAS, the City wishes to reduce its annual pension cost as a percentage of its budget, reduce and pay off its unfunded pension liability, competitively align its retirement options with other local jurisdictions, and provide a long-term and sustainable solution for supporting employee retirement plans; and

WHEREAS, City Charter Section 3-507 allows the City to modify its pension laws "only by ordinance adopted by at least two-thirds of the total membership of the council and duly approved by the mayor"; and

WHEREAS, it is the desire of the City of Atlanta to amend Atlanta City Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions) as set forth herein below.

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA AS FOLLOWS:

SECTION 1. A retirement plan ("Retirement Plan") is hereby established for all City of Atlanta: 1) permanent, full-time, active employees hired on or after January 1, 1983; 2) permanent, full-time, active employees hired before January 1, 1983 who opt into the Retirement Plan; and 3) elected officials in office on or after November 1, 2011 (hereinafter collectively "Employees" or in the singular, "Employee"). The Retirement Plan shall be in effect for all work performed by the Employee on or after November 1, 2011. All Employees who are enrolled on October 31, 2011 in the City's Firefighters' Pension Plan (pursuant to City Charter sections 6-366 through 6-420), Police Pension Plan (pursuant to City Charter sections 6-221 through 6-280), or General Employees' Pension Plan (pursuant to City Charter sections 6-36 through 6-140), (collectively the "DB Plans"), or who are enrolled in the City's pre-October 31, 2011 defined contribution plan (pursuant to City Ordinance number 01-O-0064), shall become members of the new Retirement Plan on November 1, 2011, the details of which are set forth in Sections 3 and 4 of this Ordinance 11-O-_____. A hard freeze shall be placed on the DB Plans with respect to all Employees, effective October 31, 2011, as set forth below. The retirement system currently in effect for retirees whose date of retirement was prior to the date that the new Retirement Plan takes effect, and for permanent, full-time, active City employees hired prior to January 1, 1983 who opt out of the new Retirement Plan, shall remain unchanged. Notwithstanding, any retiree or other former employee who may be rehired as an Employee on or after November 1, 2011 shall be a member of the new Retirement Savings Plan with respect to service performed after such rehire.

SECTION 2. The Retirement Plan shall be structured as either a Defined Contribution Plan ("Option 1"), or as a combination of a Defined Contribution Plan with Federal Social Security Program benefits ("Option 2"), as described below in Section 3 and Section 4 respectively. In order to implement the Retirement Plan, the following authorizations are hereby granted:

- (1) The Mayor or his designee, on behalf of the City, is hereby authorized to establish a Defined Contribution Plan which shall be qualified as a governmental plan under the provisions of section 401(a) of the Internal Revenue Code of 1986 as amended. Said Defined Contribution Plan shall take effect on November 1, 2011. The details of such plan shall be as set forth in Section 2 of this Ordinance 11-O-_____.
- (2) In the event that Option 2 is authorized through this Ordinance or other duly enacted legislation, the Mayor or his designee, on behalf of the City, is hereby authorized to take all steps necessary and execute all documents required for the City to join the retirement plan provided by the Employee's Retirement System of Georgia, and to join in the Section 281 Agreement administered by the Georgia Social Security Administrator, thereby enabling Employees to participate in the Federal Social Security Program ("Social Security"). These steps shall include, without limitation, the following:
 - (a) All Employees (which, for purposes of this paragraph (2)(a) only, shall additionally include all permanent, full-time, active employees hired before

January 1, 1983) working on October 31, 2011 shall be given a choice about whether to obtain Social Security coverage beginning as of November 1, 2011. The Mayor or his designee shall convene a referendum in which each Employee shall indicate whether s/he will opt in or opt out of Social Security. The referendum shall be held by no later than October 15, 2011. Employees who do not vote in the referendum will be deemed to have opted into Social Security. Once an Employee chooses to "opt in" or "opt out" of Social Security coverage, s/he may not revoke that decision during the remainder of her/his tenure with the City.

- (b) The Mayor or his designee is authorized to take all steps necessary and execute all documents required to convene the Social Security referendum.

SECTION 3: The Option 1 Retirement Plan ("Retirement Plan 1") shall consist solely of a Defined Contribution Plan that will take effect August 1, 2011. The City of Atlanta Charter shall be amended to add a new Section 6-2 which establishes and defines Retirement Plan 1. Accordingly, the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions) is hereby amended by adding a new Section 6-2 which shall read as follows:

"Sec. 6-2. Retirement Benefits.

- (a) The following words, terms and phrases, when used in this Section 6-2, shall have the meanings ascribed to them in this subsection (a), except where the context clearly indicates a different meaning:

- (1) *DB Plan* means the City's Firefighters' Pension Plan (set forth in City Charter sections 6-366 through 6-420), the Police Pension Plan (set forth in City Charter sections 6-221 through 6-280), and/or the General Employees' Pension Plan (set forth in City Charter sections 6-36 through 6-140).
- (2) *DB Plan Participant* means an Employee (as defined in this Section 6.2(a)) who was enrolled on October 31, 2011 in a DB Plan.
- (3) *Compensation* means an Employee's annual salary from the City of Atlanta.
- (4) *DC Participant* means an Employee who participates in the Defined Contribution Retirement Plan that will take effect on November 1, 2011.
- (5) *DC Plan* or *Defined Contribution Retirement Plan* means the Defined Contribution Retirement Plan established under Section 401(a) of the Internal Revenue Code of 1986, as amended, that will take effect on November 1, 2011 and that is described in this Section 6-2.
- (6) *Employee* (or in the plural *Employees*) means City of Atlanta: 1) permanent, full-time, active employees hired on or after January 1, 1983; 2) permanent, full-time, active employees hired before January 1, 1983 who opt into the Retirement Plan; and 3) elected officials in office on or after November 1, 2011.
- (7) *Pre-October 31, 2011 Defined Contribution Plan* means the City's defined contribution plan created pursuant to ordinance number 01-O-0064 that was in effect through and including October 31, 2011.

- (8) *Retirement Account* means the account owned by each DC Participant that contains her/his monetary benefits from the Defined Contribution Retirement Plan, and the benefits from her/his Pre-October 31, 2011 Defined Contribution Plan, if applicable.
 - (9) *Retirement Plan* means the entire package of retirement benefits offered by the City to its Employees as of November 1, 2011, as set forth in this Section 6-2, including the DC Plan.
 - (10) *Voluntary Contribution* means the amount an Employee contributes to her/his DC Retirement Account, where such contribution is not mandated.
- (b) The City shall offer a Defined Contribution Retirement Plan to all Employees effective November 1, 2011. The retirement benefit of an Employee enrolled in the Retirement Plan, who was previously enrolled in a DB Plan or the Pre-October 31, 2011 Defined Contribution Plan, shall be a combination of all benefits earned from each plan. The Defined Contribution Retirement Plan shall be set forth in a plan document to be adopted and maintained by the Plan Administrator and shall contain the terms described immediately below in subparagraph (c) of this section.
- (c) Defined Contribution Retirement Plan Description:
- (1) All Employees as of October 31, 2011 must participate in the DC Plan. These Employees must make a mandatory employee contribution of 6% of Compensation into her/his Retirement Account. Such contribution will be picked-up by the City on a salary reduction basis pursuant to Section 414(h) of the Internal Revenue Code of 1986, as amended.
 - (2) The City shall also make a contribution of 6% of Compensation into the Employee's Retirement Account. The City's contributions to the Employee's Retirement Account shall vest over a 5-year period at 20% per year, such that all City contributions after the fifth year are 100% vested.
 - (3) Each Employee participating in the DC Plan has the option of making an additional pre-tax Voluntary Contribution into her/his Retirement Account. The Employee's Voluntary Contribution shall be in an amount directed by the Employee, and may not exceed 14% of Compensation, or the maximum contribution permitted under the Internal Revenue Code, whichever is lower. The City will not match this Voluntary Contribution.
 - (4) An Employee's years of service accumulated prior to November 1, 2011 shall be counted in years-of-service calculations under the DC Plan for the sole purpose of determining vesting as described in subsection 6-2 (d)(2) below.
 - (5) The Retirement Account of an Employee who was enrolled in the Pre-October 31, 2011 Defined Contribution Plan shall be retained as the Employee's Retirement Account, into which all DC Plan contributions shall be deposited.
 - (6) Each DC Participant shall direct how the funds in her/his Retirement Account shall be invested, selecting from a menu of investment options provided by the Plan Administrator. The DC Participant may select more than one investment option.
 - (7) A DC Participant may direct lump sum distributions from her/his Retirement Account upon separation from the City, death, disability (pursuant to the City's disability retirement provisions), or retirement in accordance with the terms of such plan.

- (8) Each DC Participant may designate one or more Retirement Account beneficiaries of her/his choice.
 - (9) The City will offer a long term disability insurance policy to all Employees.
 - (10) The Plan document shall be maintained by the Plan Administrator and amended from time to time to comply with applicable Internal Revenue Code provisions. Any change to the eligibility, benefits and vesting provisions shall require action by the City Council taken pursuant to City Charter Section 3-507.
 - (11) The Plan Administrator shall be the Chief Financial Officer or her/his designee. The Plan Administrator shall oversee the daily administration of the Defined Contribution Retirement Plan. The Plan Administrator shall report to the Management Committee of the DC Plan, which shall be composed of the Chief Financial Officer, the Chairperson of the Finance and Executive Committee, and the Mayor or her/his designee.
 - (12) The Management Committee of the DC Plan shall manage and operate the DC Plan. It shall make all final decisions on issues that may materially impact the financial value of assets in the DB Plan, except that such decisions will be approved by duly enacted legislation where required by the Atlanta Code of Ordinances. The Management Committee shall have all powers necessary to enable it to properly carry out the duties of a pension plan manager, which include the following: (i) engaging the services of third party service provider(s) and a trustee, consistent with the City's procurement procedures and based on the recommendation of the Management Committee. The service provider(s) and trustee may provide recordkeeping services for the DC Plan, provide investment fund options and trustee services, provide and present investment education and other communication materials to DC Participants; and provide disability insurance; (ii) preparing and construing the DC Plan documents and agreements, and providing answers to all questions related thereto; (iii) providing answers to all questions relating to eligibility and benefit entitlement under the DC Plan; (iv) maintaining records relating to DC Participants; (v) preparing and furnishing to DC Participants all applicable information required under state and/or federal law; (vi) preparing and furnishing to the third-party service provider and/or trustee all necessary Employee and financial data; (vii) providing direction and oversight of the third-party service provider and/or trustee; (viii) preparing and filing with all other appropriate government entities all reports and other information required under law to be so filed and/or published; (ix) engaging consultants, attorneys, actuaries or other professional advisers as necessary to aid in the DC Plan administration; (x) arranging for fiduciary bonding if necessary; (xi) providing procedures for benefit payments; and (xii) delegating any or all of its responsibilities, except that the Management Committee may not delegate its duty to make final decisions on issues that may materially impact the financial value of assets in the DB Plan.
- (d) Calculation of DB Plan Benefits. Upon retirement, an Employee who was a member of a DB Plan on October 31, 2011 shall be eligible to receive the DB Plan benefits s/he has accrued. The benefits shall be calculated as set forth in the applicable DB Plan, except that, for the sole purpose of calculating the October 31, 2011 DB Plan value, the following changes shall be made to said calculations:

- (1) The DB Plan Benefit Formula ("Benefit Formula") set forth in the DB Plans prior to November 1, 2011 is the product of: i) a multiplier ranging from 2%-3% (the "multiplier"); multiplied by ii) salary, determined by the highest amount of salary compensation received by an Employee over a consecutive 36-month period; multiplied by iii) the Employee's years of service with the City ("years of service"). To determine the actual benefit ("Actual Benefit") received by the Employee, the Benefit Formula is: A) multiplied by the percentage cap of 80% ("Cap"), unless the Employee opted for a Benefit Formula that waives such Cap; and is then multiplied by B) a vesting percentage if the DB Plan Participant has not yet fully vested in the DB Plan; and C) the total calculation is then reduced by an age penalty, if applicable.
- (2) The value of the Benefit Formula of each DB Plan Participant who retires on or after July 1, 2011 shall remain fixed at her/his Benefit Formula value on the date of retirement or October 31, 2011, whichever comes earlier. The Benefit Formula value shall be calculated as set forth in the applicable DB Plan, except for the following modifications (which shall apply only to the DB Plan Participants referenced in this subsection (d)(2)):
 - (i) A DB Plan Participant shall have the option of increasing her/his Benefit Formula by adding her/his days of unused sick leave as of October 31, 2011 to the Employee's years of service, provided that the Employee selects that option at the time and in the manner prescribed by the City, and that the Employee retires prior to November 1, 2011. Any sick leave hours used in this manner may not be used in the future for sick time or any other purpose. Unused Sick Leave may not be used to modify the Employee's vesting calculation.
 - (ii) Where a DB Plan Participant previously agreed to an alternative Benefit Formula that utilizes a decreased multiplier in exchange for elimination of the 80% Cap, the City will determine the Benefit Formula using the standard calculation and the alternative calculation. The City will then apply the higher of the two Benefit Formulas when calculating the Employee's Actual Benefit.
 - (iii) Where a DB Plan Participant has not vested in the Plan as of October 31, 2011, s/he may apply her/his years of service with the City after October 31, 2011 to increase the vesting percentage in the calculation of her/his Actual Benefit. The Employee shall be allowed to fully vest in the DB Plan should s/he reach the required years of service. The increased years of service shall not be used to modify the Benefit Formula."

SECTION 4: As an alternative to Retirement Plan 1, the City may implement a Retirement Plan that includes Social Security. The Option 2 Retirement Plan ("Retirement Plan 2"), described in this Section 4, consists of a Defined Contribution Plan component and a Social Security component, both of which shall be implemented on November 1, 2011. The City of Atlanta Charter shall be amended to add a new Section 6-2 which establishes and defines Retirement Plan 2. Accordingly, the City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions) is hereby amended by adding a new Section 6-2 which shall read as follows:

Sec. 6-2. Retirement Benefits.

- (a) The following words, terms and phrases, when used in this Section 6-2, shall have the meanings ascribed to them in this subsection (a), except where the context clearly indicates a different meaning:
- (1) *DB Plan* means the City's Firefighters' Pension Plan (set forth in City Charter sections 6-366 through 6-420), the Police Pension Plan (set forth in City Charter sections 6-221 through 6-280), and/or the General Employees' Pension Plan (set forth in City Charter sections 6-36 through 6-140).
 - (2) *DB Plan Participant* means an Employee (as defined in this Section 6.2(a)) who was enrolled on October 31, 2011 in a DB Plan.
 - (3) *Compensation* means an Employee's annual salary from the City of Atlanta.
 - (4) *DC Participant* means an Employee who participates in the Defined Contribution Retirement Plan that will take effect on November 1, 2011.
 - (5) *DC Plan* or *Defined Contribution Retirement Plan* means the Defined Contribution Retirement Plan, established under Section 401(a) of the Internal Revenue Code of 1986, as amended, that will take effect on November 1, 2011 and that is described in this Section 6-2.
 - (6) *Employee* (or in the plural *Employees*) means City of Atlanta: 1) permanent, full-time, active employees hired on or after January 1, 1983; 2) permanent, full-time, active employees hired before January 1, 1983 who opt into the Retirement Plan; and 3) elected officials in office on or after November 1, 2011.
 - (7) *Opt in* means a decision made by an Employee to participate in Social Security, where said decision is communicated as part of a City referendum in the manner prescribed by the City.
 - (8) *Opt Out* means a decision made by an Employee not to participate in Social Security, where said decision is communicated as part of a City referendum in the manner prescribed by the City.
 - (9) *Pre-October 31, 2011 Defined Contribution Plan* means the City's Defined Contribution Plan created pursuant to ordinance number 01-O-0064 that was in effect through and including October 31, 2011.
 - (10) *Retirement Account* means the account owned by each DC Participant that contains her/his monetary benefits from the Defined Contribution Retirement Plan, and the benefits from her/his Pre-October 31, 2011 Defined Contribution Plan, if applicable.
 - (11) *Retirement Plan* means the entire package of retirement benefits offered by the City to its Employees as of November 1, 2011, as set forth in this Charter Section 6-2, including the DC Plan and the Social Security Plan.
 - (12) *Social Security Plan* means the Federal Social Security Program. Participation in the Social Security Plan by City Employees is authorized by Section 218 of the Federal Social Security Act and by O.C.G.A. § 45-5-1(a).
 - (13) *Social Security Contribution* shall be the percentage of Compensation contributed by an Employee into the Social Security Plan, as mandated by the Federal Social Security Act.

(14) *Voluntary Contribution* means the amount an Employee contributes to her/his DC Retirement Account, where such contribution is not mandated. For an Employee who has opted into the Social Security Plan, the Voluntary Contribution is the total amount that s/he deposits into her/his DC Retirement Account each year. For an Employee who has opted out of the Social Security Plan, the Voluntary Contribution is the amount that s/he deposits into her/his DC Retirement Account each year that exceeds 6% of Compensation.

(b) The City shall offer a Retirement Plan to all Employees effective November 1, 2011, and such Retirement Plan shall consist of a Social Security component and a Defined Contribution component. The retirement benefit of an Employee enrolled in the Retirement Plan, who was previously enrolled in a DB Plan or the Pre-October 31, 2011 Defined Contribution Plan, shall be a combination of all benefits earned from each Plan. The Defined Contribution Retirement Plan shall be set forth in a plan document to be adopted and maintained by the Plan Administrator and shall contain the terms described immediately below in subparagraph (d) of this section.

(c) Retirement Plan- Social Security Component:

- (1) All Employees as of October 31, 2011 who either opt in, or fail to opt out, of the Social Security Plan shall be covered by Social Security and the City and the Employee shall make the Social Security Contributions required by the Internal Revenue Code and regulations, and the Section 218 Agreement. Where an Employee was a member of the Pre-October 31, 2011 Defined Contribution Plan and opts into the Social Security Plan, s/he shall retain her/his Retirement Account which shall be subject to the provisions set forth in subsection (d)(4) below.
- (2) All Employees hired on or after November 1, 2011 will be required to join the Social Security Plan regardless of whether the Employee had been previously employed by the City, unless otherwise set forth in this Code of Ordinances. All such Employees shall make a pre-tax Social Security Contribution into the Social Security Plan. The City shall also make a contribution equivalent to the Social Security Contribution into the Social Security Plan on behalf of the Employee.
- (3) Employees participating in the Social Security Plan shall not be required to participate in the DC Plan. Such Employees may voluntarily participate in the DC Plan as described in subsection (d)(2) below.

(d) Retirement Plan- Defined Contribution Component:

- (1) All Employees as of October 31, 2011 who opt out of the Social Security Plan, must participate in the DC Plan. These Employees shall make a pre-tax contribution of 6% of Compensation into her/his Retirement Account. Such contribution will be picked-up by the City on a salary reduction basis pursuant to Section 414(h) of the Internal Revenue Code of 1986, as amended.
- (2) The City shall also make a contribution of 6% of Compensation into the Employee's Retirement Account.

(3) Each Employee participating in the City's Retirement Plan, regardless of whether s/he participates in the Social Security Plan or the required DC Plan, has the option of making an additional pre-tax Voluntary Contribution into her/his Retirement Account. The Employee's Voluntary Contribution shall be in an amount directed by the Employee, and may not exceed 14% of Compensation, or the maximum contribution permitted under the Internal Revenue Code, whichever is lower. The City will match the Employee's Voluntary Contribution as follows:

(a) For Employees as of October 31, 2011, who were DB Plan Participants on that date, and who **opt in** to the Social Security Plan:

The City will match up to the first 8% of the Employee's Voluntary Contribution at a rate of 100%. The City will not match the remainder (9%-14% Compensation) of the Employee's Voluntary Contribution.

(b) For Employees as of October 31, 2011, who were members of the Pre-October 31, 2011 Defined Contribution Plan on that date, and who **opt in** to the Social Security Plan:

The City will match up to the first 8% of the Employee's Voluntary Contribution at a rate of 50%. The City will not match the remainder (9%-14% Compensation) of the Employee's Voluntary Contribution.

(c) For Employees as of October 31, 2011, who were DB Plan Participants on that date, and who **opt out** of the Social Security Plan:

The City will match up to the first 6% of the Employee's Voluntary Contribution at a rate of 100%. The City will not match the remainder (12%-14% Compensation) of the Employee's Voluntary Contribution.

(d) For Employees as of October 31, 2011, who were members of the Pre-October 31, 2011 Defined Contribution Plan on that date, and who **opt out** of the Social Security Plan:

The City will match up to the first 8% of the Employee's Voluntary Contribution at a rate of 50%.

(e) For Employees hired on or after November 1, 2011 and are employed at a pay grade of **19 or higher**:

The City will match the first 8% of the Employee's Voluntary Contribution at a rate of 50%. The City will not match the remainder (9%-14% Compensation) of the Employee's Voluntary Contribution.

(f) For Employees hired on or after November 1, 2011 and are employed at a pay grade of **less than 19**:

The City will match the first 8% of the Employee's Voluntary Contribution at a rate of 100%. The City will not match the

remainder (9%-14% Compensation) of the Employee's Voluntary Contribution.

- (4) An Employee's years of service accumulated prior to November 1, 2011 shall be counted in years-of-service calculations under the DC Plan for the sole purpose of determining vesting as described in subsection 6-2 (e)(2) below.
- (5) The Retirement Account of an Employee who was enrolled in the Pre-October 31, 2011 Defined Contribution Plan shall be retained as the Employee's Retirement Account, regardless of whether the Employee opts into the Social Security Plan. Where an Employee opts into the Social Security Plan, her/his DC Plan Voluntary Contributions shall be deposited into the Retirement Account. Where an Employee opts out of the Social Security Plan, her/his DC Plan contributions shall be deposited into the Retirement Account.
- (6) City contributions to the Employee's Retirement Account shall vest over a 5-year period at 20% per year, such that all City contributions after the fifth year are 100% vested.
- (7) Each DC Participant shall direct how the funds in her/his Retirement Account shall be invested, selecting from a menu of investment options provided by the Plan Administrator. The DC Participant may select more than one investment option.
- (8) A DC Participant may direct lump sum distributions from her/his Retirement Account upon separation from the City, death, disability (pursuant to the City's disability retirement provisions), or retirement pursuant to the terms of such plan.
- (9) Each DC Participant may designate one or more Retirement Account beneficiaries of her/his choice.
- (10) The City will offer a long term disability insurance policy to all Employees.
- (11) The Plan document shall be maintained by the Plan Administrator and amended from time to time to comply with applicable Internal Revenue Code provisions. Any change to the eligibility, benefits and vesting provisions shall required action by the City Council taken pursuant to City Charter Section 3-507.
- (12) The Plan Administrator shall be the Chief Financial Officer or her/his designee. The Plan Administrator shall oversee the daily administration of the Defined Contribution Retirement Plan. The Plan Administrator shall report to the Management Committee of the DC Plan, which shall be composed of the Chief Financial Officer, the Chairperson of the Finance and Executive Committee, and the Mayor or her/his designee.
- (13) The Management Committee of the DC Plan shall manage and operate the DC Plan. It shall make all final decisions on issues that may materially impact the financial value of assets in the DB Plan, except that such decisions will be approved by duly enacted legislation where required by the Atlanta Code of Ordinances. The Management Committee shall have all powers necessary to enable it to properly carry out the duties of a pension plan manager, which include the following: (i) engaging the services of third party service provider(s) and a trustee, consistent with the City's purchasing procedures and based on the recommendation of an outside consultant. The service provider(s) and trustee may provide recordkeeping services for the DC Plan, provide investment fund options and trustee services, provide and present investment education and other communication materials to DC Participants; and

provide disability insurance; (ii) preparing and construing the DC Plan documents and agreements, and providing answers to all questions related thereto; (iii) providing answers to all questions relating to eligibility and benefit entitlement under the DC Plan; (iv) maintaining records relating to DC Participants; (v) preparing and furnishing to DC Participants all applicable information required under state and/or federal law; (vi) preparing and furnishing to the third party service provider and/or trustee necessary employee and financial data; (vii) providing direction and oversight of the third party service provider and/or trustee; (viii) preparing and filing with all other appropriate government entities all reports and other information required under law to be so filed or published; (ix) engaging consultants, attorneys, actuaries or other assistants and professional advisers as necessary to aid in the DC Plan administration; (x) arranging for fiduciary bonding if necessary; (xi) providing procedures for benefit payments; and (xii) delegating any or all of its responsibilities, except that the Management Committee may not delegate its duty to make final decisions on issues that may materially impact the financial value of the assets in the DB Plan.

- (e) Calculation of DB Plan Benefits. Upon retirement, an Employee who was a member of a DB Plan on October 31, 2011 shall be eligible to receive the DB Plan benefits s/he has accrued. The benefits shall be calculated as set forth in the applicable DB Plan, except that, for the sole purpose of calculating the October 31, 2011 DB Plan value, the following changes shall be made to said calculations:

- (1) The DB Plan Benefit Formula ("Benefit Formula") set forth in the DB Plans prior to November 1, 2011 is the product of: a) a multiplier ranging from 2%-3% (the "multiplier"); multiplied by b) salary, determined by the highest amount of salary compensation received by an Employee over a consecutive 36 month period; multiplied by c) the Employee's years of service with the City ("years of service"). To determine the actual benefit ("Actual Benefit") received by the Employee, the Benefit Formula is: a) multiplied by the percentage cap of 80% ("Cap"), unless the Employee opted for a Benefit Formula that waives the Cap; and is then multiplied by b) a vesting percentage if the DB Plan Participant has not yet vested in the DB Plan; and c) the total calculation is reduced by an age penalty where applicable.

- (2) The value of the Benefit Formula of each DB Plan Participant who retires on or after July 1, 2011 shall remain fixed at her/his Benefit Formula value on the date of retirement or October 31, 2011, whichever comes earlier. The Benefit Formula value shall be calculated as set forth in the applicable DB Plan, except for the following modifications (which shall apply only to the DB Plan Participants referenced in this subsection (e)(2)):

- (i) A DB Plan Participant shall have the option of increasing her/his Benefit Formula by adding her/his days of unused sick leave as of October 31, 2011 to the Employee's years of service, provided that the Employee selects that option at the time and in the manner prescribed by the City, and that the Employee retires prior to November 1, 2011. Any sick leave hours used in this manner may not be used in the future for sick time or

- any other purpose. Unused Sick Leave may not be used to modify the Employee's vesting calculation.
- (ii) Where a DB Plan Participant previously agreed to an alternative Benefit Formula that utilizes a decreased multiplier in exchange for elimination of the 80% Cap, the City will determine the Benefit Formula using the standard calculation and the alternative calculation. The City will then apply the higher of the two Benefit Formulas when calculating the Employee's Actual Benefit.
 - (iii) Where a DB Plan Participant has not vested in the Plan as of October 31, 2011, s/he may apply her/his years of service with the City after October 31, 2011 to increase the vesting percentage in the calculation of her/his Actual Benefit. The Employee may be allowed to fully vest in the DB Plan should s/he reach the required years of service. The increased years of service shall not be used to modify the Benefit Formula."

SECTION 5: The City of Atlanta Charter is hereby amended to implement a hard freeze on the Fire Fighters' Pension Fund that will take effect on October 31, 2011. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article IV (Firefighters), Sections 6-366 through 6-420, shall be amended by adding a new Section 6-400 that shall read as follows:

"Sec. 6-400. Application of Hard Freeze on October 31, 2011.

There has been raised and established funds for the aid, relief and pension of members of the Atlanta Fire Department who are or were in active service between the time of the passage of this act and October 31, 2011 ("Firefighters' Pension Fund"). Starting on November 1, 2011, no additional retirement benefits will be accumulated under the Firefighters' Pension Fund for any members who are Employees on that date, and who were either: 1) hired on or after January 1, 1983; or hired before January 1 1983 who opt into the City's new Retirement Plan that takes effect on November 1, 2011. No one may join the Firefighters' Pension Fund after October 31, 2011. All benefits earned as of October 31, 2011 will remain unchanged, and all rules regarding said benefits, including, without limitation, distribution of said benefits, will be subject to the provisions set forth in this Article IV, Sections 6-366 through 6-420, except as modified by Section 6-2 of the City of Atlanta Charter. Members of the Firefighters' Pension Fund who are Employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City of Atlanta Charter. The retirement plan and benefits of the following members of the Firefighters' Pension Fund shall remain unchanged: 1) Employees on November 1, 2011 who were hired before January 1, 1983 and who opt out of the City's new retirement plan that will take effect on November 1, 2011; and 2) Employees who retired before November 1, 2011."

SECTION 6: The City of Atlanta Charter is hereby amended to implement a hard freeze on the Police Department Pension Fund that will take effect on October 31, 2011. City of Atlanta

Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article III (Police Department), Sections 6-221 through 6-280, shall be amended by adding a new Section 6-258 that shall read as follows:

“Sec. 6- 258. Application of Hard Freeze on October 31, 2011.

There has been raised and established funds for the relief and pensioning of members of the Atlanta Police Department who are or were in active service between the time of the passage of this act and October 31, 2011 (“Police Pension Fund”). Starting on November 1, 2011, no additional retirement benefits will be accumulated under the Police Pension Fund for any members who are active service City employees on that date, and who were either: 1) hired on or after January 1, 1983; or hired before January 1 1983 who opt into the City’s new retirement plan that takes effect on November 1, 2011. No one may join the Police Pension Fund after October 31, 2011. All benefits earned as of October 31, 2011 will remain unchanged, and all rules regarding said benefits, including without limitation distribution of said benefits, will be subject to the provisions set forth in this Article III, Sections 6-221 through 6-280, except as modified by Section 6-2 of the City of Atlanta Charter. Members of the Police Pension Fund who are active employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City of Atlanta Charter. The retirement plan and benefits of the following members of the Police Pension Fund shall remain unchanged: 1) active service City employees on November 1, 2011 who were hired before January 1, 1983 and who opt out of the City’s new retirement plan that takes effect on November 1, 2011; and 2) members who retired before November 1, 2011.”

SECTION 7: The City of Atlanta Charter is hereby amended to implement a hard freeze on the Nonuniformed Officers and Employees Pension Fund that will take effect on October 31, 2011. City of Atlanta Code, Part I (Charter and Related Laws), Subpart B (Related Laws), Chapter 6 (Pensions), Article II (Nonuniformed Officers and Employees), Sections 6-36 through 6-140, shall be amended by adding a new Section 6-104 that shall read as follows:

“Sec. 6-104. Application of Hard Freeze on October 31, 2011.

There has been raised and established funds for the relief and pensioning of members of nonuniformed officers and employees of the City of Atlanta who are or were in active service between the time of the passage of this act and October 31, 2011 (“General Employees’ Pension Fund”). Starting on November 1, 2011, no additional retirement benefits will be accumulated under the General Employees’ Pension Fund for any members who are active service City employees on that date, and who were either: 1) hired on or after January 1, 1983; or hired before January 1 1983 who opt into the City’s new retirement plan that takes effect on November 1, 2011. No one may join the General Employees’ Pension Fund after October 31, 2011. All benefits earned as of October 31, 2011 will remain unchanged, and all rules regarding said benefits, including without

limitation distribution of said benefits, will be subject to the provisions set forth in this Article III, Sections 6-36 through 6-140, except as modified by Section 6-2 of the City Charter. Members of the General Employees' Pension Fund who are active employees on November 1, 2011 shall obtain retirement benefits for work performed on and after November 1, 2011 pursuant to Section 6-2 of the City Charter. The retirement plan and benefits of the following members of the General Employees' Pension Fund shall remain unchanged: 1) active service City employees on November 1, 2011 who were hired before January 1, 1983 and who opt out of the City's new retirement plan that takes effect on November 1, 2011; and 2) members who retired before November 1, 2011."

SECTION 8: This Ordinance shall take effect at the time of its adoption.

SECTION 9: All ordinances and parts of ordinances in conflict herewith are hereby waived for purposes of this ordinance only, and only to the extent of the conflict.